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NEWS SUMMARY

GENERAL

Scottish powers poll test day

...ocal council by-elections ...y will be the first test of ...ic opinion in Scotland since ... Government announced increased powers for the planned ...ottish Assembly.

The Scottish Nationalists are ... high spirits for the contest ...r their annual conference in ...herwell at the week-end ... despite a strong threat, ...rsed its moderate line which ...pts that the party will work ...in any Assembly as a step-...stone to independence. ...d-term disaffection with the ...ernment would give the SNP ...emendous propaganda boost, ...tes our Scottish corre-...ndent, Ray Perman...

Syria may send more troops

There is strong speculation in ...irut that Syria is about to send ...nforcements to the 17,000 ...ps it controls in Lebanon ... a sharp escalation in the ...ing over the week-end. Left-... sources charged that the ...ping up of fighting was in-...ded to pave the way for more ...an troops. Page 5

...n Carlos ... U.S.

...Juan Carlos to-morrow ... the first visit by a reigning ...h monarch to the U.S., an ... heralded in Madrid as of ... political significance. The ... will address Congress and ... President Ford and Dr. ...inger. Page 20

...urder charges

...people were charged last ... with the murder of eight-...old Samantha Read, found ... her throat cut at her Slea-... Lincolnshire, home, and ...appear in court to-day.

...ldren warned

...ampton parents were ...d yesterday to keep child-...way from a brook running ...gh six miles of the ... 150 tons of formalin leaked ... when a tank burst at a ...cal plant. No serious health ... is likely, but an investi-... is to be held into the ...

...rtha Mitchell

...a Mitchell, outspoken ...ged wife of Nixon ...ney-General John Mitchell, ...in New York yesterday at ... bone cancer. Often ...ed, Mrs. Mitchell spoke out ...litical issues and was con-...d by many the heroine of ...Watergate scandal.

...tsmen 'damned'

...rn to the England Test side ...Brian Close at 45 is a ...ning indictment of British ...anship," writes Trevor ...y (Page 2). But he says ...f the gamble does not come ... it will not be through lack ... determination by the Somer-...ceptain.

...ople and places

...land (Keegan 2, Francis) beat ...m America 3-1 in the final ... of the American Bicen-...y soccer tournament in ...iladelphia yesterday.

...e Siamese twin girls born in ...awley last week were moved ...sterday to London's Great ...mond Street Hospital from ...ilton for further examina-...egarding a separation.

...ervative MPs are to raise ...ally the estimated £50,000 ... of Environment Secretary ...r Shore's 30-man delegation ...e UN Conference on Human ...ements in Vancouver.

...al Gold Medal for Architec-...e has been awarded to archi-...tural historian Sir John ...ummerson.

...ff-held ticket 15ZT 556865 ..., the weekly £50,000 premium ... prize.

BUSINESS

BSC in Iranian know-how deal

● BRITISH STEEL Corporation has won a contract to supply engineering project management, technical assistance and training for the construction and running of a $1bn. steelworks in Southern Iran. At home, a steelworkers' union has declared its opposition to BSC's plate mill project at Redcar, Teesside. Back Page.

● NATWEST economic analysis warns that the fall in sterling is jeopardising the Government's budget strategy through its impact on the cost of imported goods, and has strengthened the case for further Government measures to attain the 6 per cent. inflation target by end-1977. The latest report from the London Chamber of Commerce, too, argues that the Government-TUC agreement on pay policy may not be enough to control inflation. Page 4

● U.K. NEWSPAPER industry may seek assistance from the EEC European Social Fund to help finance the new computer-based technology to be introduced over the next few years. A newly established joint standing committee of employers and union leaders is to consider this and other issues connected with the introduction of the new technology. Page 6

● MOST PROVISIONS of the Employment Protection Act come into force to-day, including protection from dismissal because of pregnancy and the right to return to work after maternity leave. Page 6

European Airbus talks

● MR. GERALD KAUFMAN is to have talks in Paris this week on the possibility of full British participation in the European Airbus consortium. Back Page.

● U.K. TEXTILE importers are advocating changes in the methods of allocating quotas within the EEC at informal meetings with Community officials. Page 4

● WEST GERMANY has won two large orders in Eastern Europe—a £326m. contract to supply gas turbine compressor stations for the Soviet gas pipeline won by AEG-Kanis, and £174m. for the supply of three chemical plants to East Germany, won by Hoechst. Page 18

● BRITISH GAS Corporation says that a 10 per cent. rise in gas prices might be needed if the Government agrees a softer line with bad payers. Page 4.

● HALLMARKING international convention comes into force today, whereby articles with marks below 926 Sterling standard may not circulate freely in the U.K.

COMPANIES

London Tin takeover

● PERNAS ORGANISATION has reached agrement with Haw Par for the purchase of its 30 per cent. stake in London Tin, allowing the takeover of London Tin by Pernas. Page 18.

● TOYOTA Motor sales reports record earnings of $56m. on record sales of $6.7bn. for the year ended March 31. Sales are expected to reach 2.54m. this year. Page 15.

● MONTEDISON reports group turnover 29 per cent. up in the first four months of 1976, but the group is still making a loss. Page 18

● R. J. REYNOLDS, the U.S tobacco conglomerate, has sacked three top executives for making illegal political contributions and overseas payments. Page 5

FEATURES

For latest Share Index 'phone 01-246 8026

Government faces attack from Left and Right

BY RICHARD EVANS, LOBBY CORRESPONDENT

The Government now faces the prospect of a full-scale conflict not only with the combined Opposition parties over its legislative programme but with its own back-benchers if it is obliged to introduce further public expenditure curbs.

Labour MPs, representing a wide range of party opinion, reacted sharply yesterday to continuing reports that further spending cuts might have to be introduced either to offset excessive local government spending or to meet the requirements of a possible further loan from the International Monetary Fund.

With the current level of unemployment, cuts in housing, nationalised industries and other cherished public services would put the Government on a collision course with the Left-wing of the Labour Party and with the trade unions.

The danger for Mr. Callaghan's administration would come if the Opposition in its present mood of militancy was so determined to force an early General Election that an excuse was discovered for combining with the Left-wing ot vote down a cuts package.

A further headache for the hard-pressed Government whips emerged yesterday in a letter to the Prime Minister from the two "rebel" Scottish Labour Party MPs, Mr. Jim Sillars and Mr. John Robertson warning that they would not hesitate to vote against the Government if further cuts in public expenditure were introduced.

As speculation about the urgent round of public spending curbs no wtaking place in Government departments increased yesterday Left-wing Labour MPs made it clear they intended to take all available action to prevent their implementation. There were suspicious that a series of "inspired leaks" were preparing the ground for a Government change of policy.

But it was pointed out that any change of policy would have to be considered by senior Ministers against the background of the special TUC conference on June 16 called to endorse the 4½ per cent. pay rise ceiling which the Government wants adopted for the year from this August.

A foretaste of Left-wing reaction which would face the Government came yesterday from Mr. Neil Kinnock (Bedwellty), a moderate member of the Tribune Group, who argued that any attempt to stabilise the pound through cutting public spending would be fruitless. He believed it would be a misuse of the country's resources and an unnecessary blow against working people.

He added in a BBC radio interview that while there would be no desire on the part of the Left to bring down the Government, there would be a "very positive desire" to divert the Government from what were essentially reactionary Tory policies which would not work in the short term and which would not work in terms of winning the next election.

"Government policies forged in this kind of panic are invariably wrong and I think instant cuts on the scale mentioned would be a panic response. We would suffer in the short term and in the undermining of our general social fabric in the long term by the introduction of such cuts," Mr. Kinnock added.

Mr. Brian Sedgemore, Labour MP for Luton West suggested that unless the Government was prepared to change its economic policies it would find itself "on a collision course not merely with the Labour Party but with the British people." Mr. Doug Hoyle (Nelson and Colne) urged the Government to bring in import control and "stop the speculation in sterling."

Ministerial attempts to calm party anxieties about an early package of cuts receives some support to-day from Phillips and Drew, the City stockbrokers who argue in their latest economic forecast that in their view the Government is likely to scrape by in avoiding conditional finance from the IMF.

A reflection of the belief of many senior Ministers that the Conservatives, despite their huffing and puffing over the Aircraft and Shipbuilding Bill controversy, do not really want an early appeal to the electorate came yesterday from Mr. Ron Hayward, Labour Party General Secretary.

He challenged the Opposition to meet the conditions laid down by the Prime Minister, prevent the Government getting its legislation through Parliament, and force a premature General Election.

Mr. Hayward, speaking at the Co-operative conference at Margate, acknowledged that the combined Opposition parties could frustrate the Government's programme.

Pound has quiet day in Europe

Financial Times Reporter

WITH THE foreign exchange markets in London and the U.S. closed yesterday for public holidays, sterling held steady in quiet trading on the Continent. On average it gained slightly to $1.761 from Friday's record closing low of $1.759.

In Paris, the pound recovered slightly to finish official Bourse dealings at Frs. 8.3580, four centimes higher than before the week-end, and a reversal of the sharp decline over the past few weeks. However, in the absence of a lead from the London market, trading was very thin. The Paris financial community was still taking a very wary view of U.K. prospects.

In Zurich, sterling again weakened in a thin market to only Sw.Frs.4.30, compared with Sw.Frs.4.33 at the end of last week. Dealers were expecting turnover to pick up again during the week, although no major rally is awaited.

In Frankfurt, sterling staged a small rally to reach DM4.58 to the pound at the afternoon official finish. This was two pfennigs above the all-time low of 4.56 set last Friday. But trading was thin.

Anthony Harris writes: The official reserve figures, to be published to-morrow, will give the first clear measure of the damage done by the continued slide in sterling last week.

They may show a considerable recovery from the $2.176bn. fall in March and April, because the authorities have since brought in the balance of some $800m. raised from the International Monetary Fund, and the proceeds of a $200m. Eurodollar borrowing in the public sector.

While the authorities have been compelled to support the pound from time to time during the month — including some intervention last Friday—they have recently been adopting a relatively passive policy in the exchange markets, both to conserve the reserves and in the hope that commercial support would appear.

Market reports have suggested that trade through most of the month has been relatively light.

The commercial hedging operations which caused so large a drain in April and helped to provoke the first sharp rise in bank lending to industry during the present recession are now thought to have stabilised, so that forward positions are being rolled over rather than extended.

There is still, however, a trickle of switching by sterling holders much of it attributed to the Nigerian authorities whenever market conditions are suitable, which has helped to depress the rate and is likely to impede any recovery.

Lex back page

Councils face 2% real spending cuts

BY ANTHONY HARRIS

LOCAL AUTHORITIES and health authorities in England and Wales face real spending cuts of 2 per cent. or more, to meet the Government's target of a standstill in real spending in 1976-77, since last year's expenditure exceeded the agreed plans by this amount.

As a result, some authorities have been considering such drastic steps as leaving new hostels and old people's homes unopened.

Since they are reluctant to do this, the Government's target may not be met, leaving ratepayers to cover the difference.

A circular to local authorities last week—reported briefly in the Financial Times on Friday—said that the plans they had submitted so far this year were some £350m.-£450m. above target, and called for revised budgets to conform to official targets.

These revisions can take the form either of expenditure cuts or of increased charges—the circular specifically proposes, for example, that parking charges should be increased, to reduce the public expdneiture cost of transport services.

This is one of the areas in which budgets have been particularly far over target, with rvenue support some £40m.-£70m. above an agreed budget of £133m. (the estimates from local authorities have been revised) and an overshoot of more than £20m. on concessionary fares.

White Paper

The Government has stressed the need to meet the targets for real spending set out in the last public ependiture White Paper, which called for a standstill in spending compared with the plans agreed for 1975-76.

However, it is becoming apparent that last year spending was some 2 per cent. higher than was agreed.

In recent evidence to the Commons Ependiture Committee, the Treasury admitted that exactly the same thing happened in 1974-75, when final spending figures overshot the estimates submitted at the time of the 1975 Budget by some £600m. entirely on account of spending by the local authorities and public corporations.

The Treasury recognises that control of local authority spending is the weakest point in its new efforts to get public expenditure under tight control, and official acknowledge that it may not be posible to get programmes fully under control this year.

However, the Treasury is determined to enforcee the new cash limit on the rate support grant as far as possible. The circular tells local authorities that this will be consistent with a rise in cash expenditure of only 9 per cent. this year, although 11 per cent. cost increases are expected.

Furtherrmore, if costs rise by more than 11 per cent., authroities are warned that the cash limit might still be enforced, which would mean further real cuts.

Difficulty

The difficulty which local authorities face is that capital spending agreed in earlier years involves a commitment to staffing and administration which is hard to escape.

Some authorities, for example, have recruited the support of local charities to equip projects such as old people's homes and day centres, and are unwilling to face the ill-will and disappointment which would result if these were not to open.

They hope to cut back their spending in future years, since few such projects are now in the pipeline, but are trying as far as possible to achieve this year's economies mainly in administration.

Officials also recognised as a political fact of life that some authorities, where Labour's Left-wing is influential, will simply defy Government policy, and make no efforts to meet the new demands for economy.

Compromise formula saves UNCTAD talks

BY REGINALD DALE NAIROBI, May 31.

AFTER A week-end of hectic negotiations, the fourth United Nations Conference on Trade and Development (UNCTAD IV), has finally ended in a barely sufficient measure of agreement to avert the threat of new crisis in relations between the world's rich and poor nations.

By extending the talks over two days into the early hours of this morning, the 154 nations managed to drag the conference back from the brink of failure and head off the prospect of a return to confrontation between the developing countries and the industrialised world.

The U.S., Germany and Britain, who had been in the forefront of opposition to some of the ideas put forward by the developing countries—chiefly on the issue of a common fund to stabilise commodity prices—relented somewhat.

They ended by making separate statements in which they stressed, among other things, their continued opposition to the indexation of raw material prices to those of imported manufactured goods, but joined in a compromise formula.

This states that the price of manufactured goods will be "taken into account" in fixing commodity prices, a phrase interpreted by a number of Third World countries as tantamount to indexation.

But agreement on the three principal issues at the month-long talks here—commodities, debt relief and the transfer of technology to developing countries—is far from total.

The U.S. plan for increasing investment in raw materials output by the formation a new international bank was rejected in the closing hours of the conference.

Right to the end, hard bargaining threatened to prevent agreement.

Both the industrialised and developing countries expressed dissatisfaction with the compromise formula finally adopted on the proposed new common fund to stabilise commodity prices, a key political demand of the developing countries.

The formula was put together outside the main conference in a marathon series of day and night negotiations among a group of only 12 countries, the U.S., Germany, France, the U.K., Sweden, the Netherlands, Algeria, Brazil, India, Indonesia, Jamaica and Venuezuala.

No black African countries were represented in the inner circle and the African group threatened to reject the compromise unless the commitment to the common fund was considerably strengthened.

On the other side, the U.S., Germany, Britain and Japan all felt the formula could imply too strong a commitment, and prepared a joint statement underlining that they were committing themselves only to preparatory studies, not to negotiating the fund itself.

News of the planned move by the four "hard-line" industrialised countries further infuriated the developing countries and led to a major row inside the EEC.

Sixteen other industrialised countries, led by Netherlands, mounted a counter-offensive fully backing the compromise formula, and officials said it took telephone calls to Mr. James Callaghan, the British Prime Minister, and Chancellor Helmut Schmidt of West Germany to dissuade Britain and the Federal Republic from breaking ranks so openly with the Community.

The text finally adopted on commodities, provides for preparatory studies of the common fund, to be followed by a full-scale negotiating conference not later than March next year.

Parallel studies will be started to prepare negotiations on a new series of individual commodity agreements to be completed by the end of 1978.

Editorial Comment Page 12

Cod War settlement near

BY WILLIAM DULLFORCE OSLO, May 31.

MR. ANTHONY Crosland, Foreign Secretary, and Mr. Einar Agustsson, the Icelandic Foreign Minister, appear to be on the verge of ending the cod war. One or two points centering on what is to happen after December 1, delayed approval here to-day of a six-months agreement covering British fishing rights within Iceland's unilaterally-declared 200-mile limit. Both sides, however, expressed the hope that a final settlement could be reached today.

Mr. Crosland and Mr. Agustsson, who is accompanied by Fisheries Minister Matthias Bjarnason, spent an hour after their arrival spelling out the terms of the six-month agreement, worked out through the mediation of Mr Knut Frydenlund, the Norwegian Foreign Minister.

This would allow 24 British trawlers to fish at any one time within specified areas of the Icelandic 200-mile zone. It would also provide for application of protocol 6 of Iceland's free trade agreement with the EEC, allowing Icelandic fish to be imported at reduced tariffs. Mr. Agustsson has said diplomatic relations, broken off by Iceland in February, could be resumed immediately after the signing of the agreement.

The outstanding problem is understood to be the Icelanders' insistence that there will be no renewal of the six-months agreement and that British trawlers must withdraw from Icelandic waters on December 1. From that date, the Icelanders state, they will be negotiating with the EEC.

The British, while recognising that the situation can be changed in six months by the evolution of a common EEC fisheries policy and by general agreement on a 200-mile limit at the UN Conference on the Law of the Sea, apparently wants guarantees concerning the position after December 1 to be incorporated into the six-months agreement.

Mr. Crosland said on arrival here this morning that he hoped for "a successful and honourable agreement." Mr. Agustsson said he was optimistic, but that it would take more than one day to negotiate a settlement.

Some doubt has been expressed whether Mr. Agustsson, who has been under heavy pressure from within his own Progressive Party and by the Icelandic Opposition, has a full mandate for the negotiations.

Icelandic sources say he is empowered to conclude an agreement on the lines worked out during talks here earlier this month at the NATO Ministerial Council session between himself, his Prime Minister, Mr. Geir Halgrimsson, and Mr. Crosland, and subsequently elaborated in exchanges between the two capitals. However, he is retaining contact by telephone with the coalition Icelandic Cabinet over details.

Icelandic fisheries experts estimate that 24 British trawlers fishing regularly within the 200-mile limit could take 30,000 to 35,000 metric tonnes of cod during the six months of the agreement. On an annual basis, this would be close to the 65,000 metric tonnes catch originally offered by the Icelanders in November before the outbreak of the cod war, although the estimate does not allow for seasonal variations.

Ford predicts record May production

MAY PRODUCTION figures at the Ford factory at Halewood, Liverpool, are expected to be a record.

The April figures were the best for two years, they will be eclipsed by May figures despite disruption for two days last week in the gearbox section of the transmission plant.

Only maintenance, essential services and security have been in the factory this week-end but there was a full overtime shift a week last Sunday in lieu of yesterday's holiday.

Workers returned yesterday morning with the daily hour's overtime to catch up with orders for Escorts and Capris including the European market. A decision on whether full overtime will be worked next Sunday is to be made later this week.

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LOMBARD

The privilege of creating money

BY C. GORDON TETHER

"We urge the repeal of the legal tender laws whereby banking institutions are a privileged class which have the right to issue money. Such laws have been responsible for the recent depreciation of our currency and have placed the business of the country within the control of concentrated money power and above the laws of the people."

This is a clause which the U.S. Committee to Establish the Gold Standard has urged the Democratic Party to include in its 1976 presidential election platform. And it is doing this because it maintains that there is no more appropriate contribution the Democrats could make to the Bicentennial Year celebrations than initiating a much-needed discussion on this subject.

Its reasoning is both interesting and persuasive. For it was because Thomas Jefferson was bitterly opposed to the idea of giving banking institutions the right to create money that the Democratic Party first came into being. George Washington's election as President after the War of Independence was under a one-party system—Federalist. Thomas Jefferson was a member of his Cabinet. So was Alexander Hamilton. He was the man who, as Secretary to the U.S. Treasury, put forward in 1790 a plan for a central bank of the U.S., modelled on the Bank of England—then nearing the end of its first century.

A device

Jefferson held that central banking or any form of paper money mechanism was essentially an "aristocratic device aimed at allowing a privileged few to live off the labour of the mass of the people."

And the nature of his basic thinking on this matter is admirably summed up by what he said some 35 years later, shortly before he died, about men being divided into two groups: "Those who fear and distrust the people who wish to draw all powers from them into the hands of the higher classes; and those who identify themselves with the people, have confidence in them and cherish them as the most safe and honest—although not the most wise—depository of the public interest."

Unable to make his resistance to the central bank idea prevail within the Government, Jefferson and his supporters organised a new political movement to oppose "aristocracy and privilege" and the projected central bank—which they saw as the elite's instrument. This organisation, first known as the Republican Party, is the direct ancestor of the Democratic Party of to-day.

The Committee for the Establishment of the Gold Standard recognises that both the main U.S. political parties to-day support paper money in all its forms. But it points out that, since the Democratic Party "retains its original position as the party of the people and against the aristocracy," whereas the Republican Party openly declares itself to be "the party of business," the first should be the more amenable of the two to the anti-paper money view.

It goes on to argue that presidential election year provides an opportunity to make significant progress for its crusade because it is inherent in the two-party system that the one that is out of office is always looking for an issue on which to attack the "in-party."

The efforts of the gold demonetisers to undermine confidence in the metal's ability to provide a monetary sheet-anchor having enjoyed a certain temporary success, it seems hardly likely that the committee is going to get many takers for the idea of getting back to the gold standard in the present year. But it is conceivable that it could have significantly more success in generating interest in the shorter-term objective referred to at the beginning of the article.

One effect of the global inflationary explosion of the [illegible] few years had been to provoke a great deal of deep thinking about the part that the banking system plays in the function of the modern economy. A further stimulus to this process had been provided by the growing realisation that one effect of vigorous government use of the note-printing press to cover budget deficits is to put the banks in a position instantly to earn large amounts of money on the debt so created by lending it back to the State at high rates of interest.

What has also been attracting a good deal of attention is the way in which these processes have made most countries much more vulnerable to pressure from major international financial institutions of all descriptions.

How far the laws giving the banks the privilege of issuing money are responsible for the depreciation of our currencies is a matter for debate. But there can be little doubt that the freedom they have enjoyed to generate Euro-currency money has played a significant part in fuelling the fires of global inflation. That, by itself, could be held to get near to constituting proof that these privileges do produce a concentration of money power that is—in some measures at last—above the laws and the will of the people."

Since the basic functioning of our Western banking system has hardly been re-examined since Jefferson was questioning the advisability of giving banks money creation powers nearly 200 years ago, a political party might well improve its public appeal by promising to carry out such a probe.

THE WEEK IN THE COURTS

Clearer line taken on debt interest

BY JUSTINIAN

JOHN RUSKIN, that early Socialist, once proclaimed that he knew himself to be a usurer as long as he took interest on money. An even earlier thinker, Francis Bacon, whose professed morality was hardly matched in performance, was altogether more mercenary and realistic. Two things had to be reconciled, he said: "The one that the truth of usurie be granted, that it bite not too much; the other that there be left open a meanes to invite moneyed men to lend to the merchants for the continuing and quickening of trade."

Three centuries later the Law Commission in its latest Working Paper has taken up a Baconian stance. It reaffirms the legal right of a creditor to receive interest on the debt owed to him. The rate of interest should be at least high enough to compensate the creditor for the income he might have derived from the short term investment of the money. It should not be so high as to indemnify him completely for the interest he would have had to pay on an unsecured short term loan.

Discretion

The Law Commission thinks that the present law, which acknowledges the right to interest on any debt or damages awarded by the courts but leaves the incidence of interest in the discretion of the courts, should be modified. Every aspect of the right to interest should be made statutory, so that the courts would have no power to disallow it. The rate of interest would be declared statutorily, but would be subject to periodic review and varied in the light of market conditions.

For the most part the Law Commission in a concise exegesis of the subject endorses the recent pronouncement of the Court of Appeal as to how the judges should exercise their discretionary powers under the present law. That was a case declaring the principles of assessment of interest on damages for personal injuries, but much the same principles apply to interest on debt.

The basic principle enunciated by the Court of Appeal had been that the debtor had kept his creditor out of his money and had had the benefit and use of it himself. So he ought to compensate the creditor for what the latter might equally have done with the money, had he not been kept out of it.

The more intractable problem has been the rate of interest on a debt or on damages. It had been argued that the rate of interest should be the same rate *after* judgment as *before* judgment; it would be anomolous if a defendant paid less interest after judgment than before it. The difficulty about that was that the rate of interest on a judgment debt had been unrealistically low for a long time. It was fixed in 1853 at 4 per cent. and has not been changed since. The Court did not feel it had to wait for steps to be taken to increase it, but set about finding a more acceptable formula for computation of the rate of interest. The Court rejected the suggestion that the rate should be linked to Bank Rate or the minimum lending rate: the difficulty about that was the fluctuation of either of those formulae. Instead it alighted on the rate that has been payable on money paid into court and placed by the court on short-term investment account.

This is an investment account established in 1965 as a result of a report of a committee under the late Lord Justice Winn. This investment is particularly suitable for money that is unlikely to remain invested for a long time and may have to be withdrawn in whole or in part at comparatively short notice. It is used commonly in cases where money is paid to children awarded damages in personal injury cases. The money is transferred by the court to the National Debt Commissioners and invested by them; the return of the capital is guaranteed £ for £, and this guarantee is backed by the Consolidated Fund.

9 per cent.

Interest is paid without the deduction of income tax. The rate of interest is fixed by the Lord Chancellor and the Treasury. When the scheme started in 1965 it was fixed at 5 per cent., steadily rising to its present rate of 9 per cent. which took effect as from March 1, 1974. Where a debtor has kept his creditor out of his money over a long period of time the court would take the average of the rate obtainable on short term investment account. All this has been substantially endorsed in the Law Commission's provisional recommendations.

* * *

THE LEGAL blockade that has been operated on Rhodesia by the international community ever since the illegal declaration of independence of November 11, 1965 will be examined by the Court of Appeal soon. Last Tuesday the Court permitted the Attorney-General to intervene in a private suit* involving the recognition of a bankruptcy in Rhodesia.

English courts

A firm of solicitors in Zambia had obtained a judgment against one of its partners in the Rhodesian courts in 1974 for some $Rhod.200,000. The debtor was made insolvent there and letters of request were issued by the Chief Justice, Sir Hugh Beadle, asking for the assistance of the English courts when it was thought that some of the insolvent's money might be in England. A Registrar in Bankruptcy in the High Court in London acceded to the request and appointed a Receiver, an accountant in London. The Receiver last year asked for and obtained an order for the debtor's brother, who lives in this country, to attend and give evidence before the Registrar. An objection to that order was unsuccessfully made, and an appeal against that order is now before the Court of Appeal.

Two months ago the Government was made aware of the proceedings for the first time. The Attorney-General will now be intervening in that appeal to argue that the request from the Rhodesian authorities ought never to have been complied with, as having been made by those acting without any legal authority in the English courts. The legal status of the illegal Smith regime will at last have a thorough airing in the English courts.

Law Commissions Working Paper on Interest, No. 60.

* *James, Davies v. James.*

CRICKET — BY TREVOR BAILEY

English selectors gamble on the old warhorse

OVER THE YEARS, the English selectors have shown their support for that old maxim "horses for course," sometimes with outstanding results—like those produced by David Steel last summer, and sometimes less successfully as with Colin Cowdrey in Australia.

Having seen several England "probables" and "possibles" wither before West Indian pace at Lords for the MCC, they have now brought back for the First Test that redoubtable old warhorse. Brian Close, who has never run away from anything and played a typical innings for Somerset against the tourists last week.

It is an intriguing choice, but it also must be one of the most damning indictments of British batsmanship ever, because not only is Brian in his mid-40s, but even at his prime never commanded a regular place in the national team. This is partially explained by an average of about 25 in 19 Tests.

The facts are that although he developed into an outstanding captain during his long career, his batting figures have never approached those of a Graveney, Cowdrey or Boycott.

I have great respetc for Brian, hope the gamble succeeds, and know that it will not fail through lack of determination on his part. But I must query the wisdom of bringing him back at the start of a series against opponents who were soundly thrashed by Australia and were not altogether convincing against India.

His recall is intended to supply backbone against speed to our batting line-up, which with Steele, Edrich and Brearley in the ranks has already rather more than its share of solid, "over-my-dead-body" players.

One gains the impression that this team has been selected more with an eye to avoiding defeat than to win. This view is supported by the inclusion of Roger Tolchard, if Alan Knott is not fit —more, I suspect, for his run-getting potential than for his wicket-keeping.

The rest of the side, with the exception of Mike Brearley, a competent county player with plenty of character if rather short of class, is excepted.

Formidable

Hendrick, Snow and Old have all been bowling well, and together constitute a formidable trio, even though none of them is as quick as either Holding or Roberts. Additional seam is available from Greig and Woolmer.

The spin section is less impressive, but still stronger than that of the opposition. If it rains, or the pitch wears, Derek Underwood is more than capable of exploiting these conditions to the utmost.

Both Greig and Close bowl off-breaks reasonably—especially useful against a team containing so many left-handers—and Steele has been known to pick up occasional wickets with his slow left-armers.

In a side with an average age of more than 32, there must be a question mark against the fielding, which inevitably lacks a certain amount of mobility normally associated with international elevens.

However, the most worry[ing] feature is that our selectors h[ave] clearly reached the conclu[sion] that there are no batsmen in [the] country under 27 who pos[sess] the technique and coura[ge re]quired to cope with fast b[owling] even on wickets not no[ted for] their pace.

If this trend contin[ues, we] must have an even olde[r side] when Lillee and Thompson c[ome] steaming in next summer. [It is] easy to find sympathy for [the] selectors' predicament—the[re is] an acute shortage of tale[nt at] Test level—but they ca[nnot] afford always to go backwa[rds] as they have tended to do [over] the past decade. The future [of] English cricket must lie w[ith] batsmen under 25.

SWIMMING — BY STUART ALEXANDER

Olympic squad pins hopes on the experienced swimmers

A STRONG bias to experience and consistency is reflected in the British Olympic swimming team announced yesterday. Despite predictions of a small squad of about 24 or 25, it became obvious later that a much larger team was planned. In the event 39 swimmers plus four divers have been chosen.

In picking so many swimmers, Britain has kept very much to the Olympic dictum that taking part is more important than winning, for the real medal chances lie with only a few swimmers, though the depth of cover will allow useful room for manoeuvre during the games.

The trials at Blackpool over the week-end were encouraging in many ways, not least in the new aggression shown by the girls, who broke several records. In the women's 200 metres freestyle, Anne Bradshaw set a new British record of 2 mins 9.1 secs but her glory lasted only six minutes as, two heats later, Sue Barnard stormed home in 2 mins 8 secs.

However, her time has only to be compared with the world and European record of 2 mins 2.27 secs to see that medal competition will be very hot.

It is very difficult to forecast what will happen in Montreal. Certainly those among the British squad who manage to reach the finals will have a good chance but getting there may prove very difficult.

At Blackpool it was hard to ignore the distinctly parochial atmosphere as the predominently young swimmers were screamed home by doting parents and fussed over by avuncular officials.

Among the men, the established names are expected to produce most. David Wilkie, in the 100 metres breast stroke, Alan McClatchey in the men's 400 metres individual medley and Brian Brinkley, who will captain the team and swim four events, will continue [to] carry the best U.K. hopes.

For the coaches the press[ure] mounts as they build up [the] squad to Olympic pitch. [With] only two to travel officially [with] the team and, at present, lac[king] a physiotherapist their time [will] be thinly spread. The most h[ope]ful sign is the swimm[ers'] willingness to meet the tougher challenge in Montr[eal].

THE TEAM FOR MONTREAL

THE Olympic swimming team named yesterday:

Freestyle: Men: 100 m: K. Burns (York City), M. Smith (Radcliffe). 200 m: B. Brinkley (Modernians), G. Downie (Warrender), A. McClatchey (Warrender). 400 m: Brinkley, McClatchey, Downie. 1,500 m: D. Parker (Coventry), P. Sparkes (Merton Swordfish). Women: 200 m: S. Barnard (Cardiff), S. Edmondson (Coventry), A. Bradshaw (Kingsbury).

Breaststroke: Men: 100 m: D. Wilkie (Warrender), D. Goodhew (Millfield School), D. Leigh (Cardiff). 200 m: Wilkie, Leigh, P. Naisby (Sunderland Phoenix). Women: 100 m: M. Kelly (Cardiff), C. Jarvis (Bedford), N. Burnham (Beckenham Ladies). 200 m: Kelly, D. Rudd (Coventry).

Butterfly: Men: 100 m: J. Mills (Sutton and Cheam), J. Park (Leeds Central), R. Iredale (Cardiff). 200 m: S. Maher (Newport), Brinkley, G. Hewit (Cardiff). Women: 100 m: J. Atkinson ([Mill]field School), J. Alexander, ([Car]diff), S. Jenner (Mermaid Marlin). 200 m: Alexander, A[tkin]son, A. Adams (Cardiff).

Backstroke: Men: 200 m: J. [Car]ter (Paisley), P. Lerpiniere [(Mill]field School). Women: 100 m: [J.] Beasley (Junction 10), A. Ja[mes] (Cardiff). 200 m: Wilki[e] (Coventry), Beasley, S. D. (Port of Plymouth).

Individual medley: Men: 400 m: McClatchey, Carter, D. Clev[e] (Tyldesley). Added for rela[ys]: Dunne (Beckenham), G. Abr[aham] (Southampton). Women: Richardson (Beckenham L[adies]), Adams, Bradshaw. Added [for] relays: E. Gray (Glasgow), (Portsmouth Northsea).

Diving: Men: Springboa[rd]: Snode (Highgate), T. Si[n...] (Highgate). Highboard: M. (Beaumont). Women: S[pring]board: M. Koppel (Coventry)

YACHTING — BY ALEC BEILBY

Weathermen help Belgian win

AS EXPECTED, the North Sea Race was dominated this year by the Dutch, who fielded a fleet of 47 of the 90 yachts entered. But it was Albert Moorken's Belgian yacht, Piombino, racing in Class 3, that took overall handicap honours.

Another unofficial winner was the Dutch weather forecasting service, whose predictions gave the edge to their yachtsmen over those listening to the less accurate British equivalent. But it appeared that the Belgians benefited by monitoring both and drawing their own conclusions.

The North Sea Race began at the entrance of Harwich Harbour on Friday, the smallest yachts in Classes 5 to 8 going first, some seemingly no bigger than dinghies with roofs but sailing a shorter course. The remainder started at ten-minute intervals, the largest, Class 1, 30 minutes after the shoal of tiddlers.

Once out to the Sunk Lightship off Harwich, the fleet headed north-east to the Smith Knoll Lightship, 60 miles away. It was here, with the Dutch weathermen giving radio forecasts of NE winds and their British rivals SE, that the most northerly track possible to the Texel Lightship paid.

It was a good windward leg, where tactics of tide and weather, with a little luck, paid before the final run-down to the finish off Scheveningen.

In spite of the Dutch dominance in numbers, the Belgian yacht, Blauwe Dolfyn II, took handicap honours in Class 1 from the veteran 13-year-old [De] Witte Raaf, and it is a sig[n of] the times that all four yach[ts in] Class 1 carried an age allow[ance;] Witte Raaf, built in 1963, ear[ned] a full 2 per cent. on her tim[e.]

Class 2 went to D[utch] Admiral's Cup team stalw[arts] Peter Vroom and Frans Ma[as in] Standfast, ahead of the [...] Breskens yacht Nymphea. [But] it was the Belgians aboard Dutch-designed Piombino [who] collected the Cruising Yacht [Club] of Australia Trophy for the overall performance.

Brian Foulger upheld Bri[tish] honour in the face of [con]tinental onslaught with a cre[dit]able win in Class 4, with Ai[...] II, but this is the year that One Ton Cup is sailed in [Mar]seilles in August, and the T[...] Quarter Ton Cup series in P[ly]mouth.

RACING — BY DOMINIC WIGAN

John Cherry is ripe for Piggott

LESTER PIGGOTT, who rode such a brilliantly well-judged race when bringing Anne's Pretender wide to land yesterday's Brigadier Gerrard Stakes, returns to Sandown to-day principally to ride *John Cherry* in the Henry II Stakes. I shall be disappointed if this high-class stayer cannot oblige for him.

John Cherry, whose best performance last year probably came when he failed narrowly to hold Shantallah's late challenge in the SKF Cesarewitch at Newmarket in October, has struck winning form this season.

Four weeks ago at Chester, Mr. Jock Whitney's chesnut Stage Door Johnny gelding proved far too good for his 14 opponents when landing the Ladbroke-sponsored Chester Cup in a back canter.

Always travelling easily on the Roodeye, John Cherry quickened immediately when given the office by Piggott a furlong from home and raced away from Seven the Quadrant to beat the Findon six-year-old to whom he was giving 25lbs. by three lengths, with Onward Taroo, in receipt of 18lbs, one and a half lengths away in third place.

John Cherry, who will be well suited by any further heavy showers in the Esher area, is taken to oblige at the main expense of the course winner, Sea Anchor, a respectable third behind Bruni and Mr. Bigmore in the Yorkshire Cup on his seasonal debut.

A second likely winner for John Cherry's trainer, Je[remy] Tree, who also is responsib[le for] Piggott's Oaks mount, Sara[h], [is] *Yeoman*, top weight for the [Bridge]way Apprentices Handicap.

This tough son of Q[ueen's] Hussar landed this even in [...] and his recent third-place [effort] behind Le Dauphin and B[...] Somers at Newmarket on [2,000] Guineas day suggests that h[e can] be up to giving a pound to T[...] Farm, a narrow winner fr[om] Mujon at Newbury last time o[ut].

Turning to the remainder [of] to-day's racing, I expect to [see] both Henry Candy and Ro[bert] Armstrong complete do[ubles.] The first-named seems likel[y to] achieve successes through *Ri[ng] Rose* and *Sabala*, who resp[ec]tively go for the Forest Ha[ndi]cap at Leicester and Chepsto[w's] Clifton Stakes. Armstrong shou[ld] be on the mark with *The O[ld] Pretender* and *Antimacassar*.

The Old Pretender bids for [a] hat-trick in the Saffron Appr[en]tice Handicap at Leicester; [his] stablemate is among runners [for] the Abbey Park Stakes half a[n] hour later.

SANDOWN
2.00—Yeoman*
2.35—Teddington Park
3.05—John Cherry***
3.35—Ippolyti
4.05—Doctor's Dilemma
4.45—Sir Montagu

LEICESTER
3.15—Ring Rose
3.45—Unsuspected
4.15—The Old Pretender
4.45—Antimacassar

CHEPSTOW
3.00—Sabala**
3.30—Hone
4.00—Adagio
4.30—Regal Romance

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University (UHF only). 10.55 Cricket: Yorkshire v Lancashire. 1.30 p.m. Rubovia. 1.45 News. 2.15 Cricket: Yorkshire v Lancashire. 3.58 Regional News (except London). 4.00 Play School. 4.25 Dorothy and the Magpie. 4.30 Jackanory. 4.45 Animal Magic. 5.15 Rentaghost. 5.40 The Wombles.

5.45 News.
6.00 Nationwide.
6.55 Circus.
†7.20 The Olympiad: Jesse Owens Returns to Berlin.
8.10 Angels.
9.00 News.
9.25 The Good Life.
9.55 Surgery of Violence.
10.45 To-night.
11.20 The Craft of the Potter.
11.45 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—6.00-6.55 p.m. Wales To-day. 6.55-7.20 Heddiw. 11.45 News and Weather for Wales.

Scotland—6.00-6.55 p.m. Reporting Scotland. 11.20-11.40 The Camanachd Cup Final: Newtonmore v Kyles Athletic. 11.40-12.05 The Craft of the Potter. 12.05 a.m. News Summary and Weather for Scotland.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.55 Scene Around Six. 11.45 News Headlines and Weather for Northern Ireland.

England—6.00-6.55 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
4.30 p.m. Cricket: Yorkshire v Lancashire.
5.00 Open University.
7.05 Middle East.
7.29 Weather.
7.30 Newsday.
7.45 The Book Programme.
8.10 America.
†9.00 "The Roaring Twenties" starring James Cagney and Humphrey Bogart.
10.40 It Don't Mean a Thing: New series of jazz concerts with Eddie Thompson.
11.15 Newsnight.
11.35 Closedown: Robert Powell reads "The Happy Life," by Henry Howard.

LONDON

9.55 a.m. Friend of the Blind. 10.10 Animated Classics. 11.20 Elephant Boy. 11.45 Larry The Lamb. 12.00 Paperplay. 12.10 p.m. Mr. Trimble. 12.30 Treasures in Store. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Racing from Sandown Park. 4.25 Arrows. 4.50 Lookout. 5.20 Nanny and the Professor.

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Husband of the Year '76.
7.30 Man About The House.
8.00 Hunter's Walk.
9.00 Destination America.
10.00 News.
10.30 Who'll Win The Derby?
11.00 Discovery.
11.30 Drive-In.
12.00 The Wild, Wild West.

All ITV regions as London except at the following times:

ANGLIA

10.10 a.m. Halas and Batchelor cartoons. 10.20 Centralia. 10.45 Tell Me Why. 11.15 Animated Classics. 1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 The Flintstones. 6.00 About Anglia. 11.00 Helmdale Hall Hour. 12.00 Anthology.

ATV MIDLANDS

10.30 a.m. The Osmonds. 10.50 Morning Movie: "The Family Kovack." 1.20 p.m. ATV Newsdesk. 5.20 Spiderman. 6.00 ATV Today. 10.30 The Collaborators. 11.35 Who Will Win The Derby? 12.00 Angling Today.

BORDER

11.20 a.m. Here Comes The Future. 11.50 Skippy. †1.20 p.m. Border News. 2.00 Houseparty. 5.20 The Flintstones. 6.00 Border News and Lookaround. 11.00 The Protectors. †12.00 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Wait Till Your Father Gets Home. 6.00 Report at Six. 7.00 Treasure Hunt. 11.00 TV Movie: "A Howling in the Woods." 12.40 a.m. Commentaires et Previsions Meteorologiques.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 Chopper One. 6.00 Grampian Today. 6.35 The Flintstones. 11.00 Personal View: Vincent Price. 12.00 Evening Prayers.

GRANADA

9.30 a.m. Alphabet Soup. 9.55 "Rudiscore." 10.45 Skippy. 11.10 The Massacre of Glencoe. 1.20 p.m. This is Your Right. 5.15 Stamp Stories. 5.20 Crossroads. 6.00 Granada Reports. 6.30 The Adventurer. 11.00 Mystery Movie, Columbo.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Chuckleheads. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 The Great Little Trains of Wales. 11.00 The Protectors.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Fyny Fan'na. 6.01-6.15 Y Dydd. 10.30 Pictorium. 11.15 Our West. 11.30 Who'll Win The Derby.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.01-6.30 Report West.

SCOTTISH

10.00 a.m. Time To Remember. 10.25 Department S. 11.15 Documentary—Ships That Flew. †1.25 p.m. Road and Weather Report. 2.00 Houseparty. 5.20 Pipet and his Friends. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Alasdair. 11.00 Late Call. 11.05 The Odd Couple.

SOUTHERN

10.00 a.m. Untamed World. 10.25 Dusty's Trail. 10.45 Tales of Washington Irving. 11.35 Skippy. 1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Porky Pig. 5.25 Crossroads. 6.00 Day by Day. 6.30 Tell Me Another. 11.05 The Protectors. 12.05 a.m. Southern News Extra. 12.15 The Future In My Hands.

TYNE TEES

10.30 a.m. Starting Point. 10.35 Ed Allen Time. 10.55 Manfred. 11.10 Phoenix Five. 11.30 Little Rascals. 1.20 p.m. Lunchtime News and Lookaround. 5.23 Elephant Boy. 6.00 Today at Six. 11.00 The FBI. 11.55 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 Houseparty. 4.23 Ulster News Headlines. 5.20 The Ghost and Mrs. Muir. 6.00 UTV Reports. 11.00 UTV Profile. 11.30 The Collaborators.

WESTWARD

10.10 a.m. The Motorway File. 10.45 Wildlife Theatre. 11.10 Randall and Hopkirk (Deceased). 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 The Amazing Chan and the Chan Clan. 6.00 Westward Diary. 7.00 Treasure Hunt. 11.00 Westward Late News. 11.05 TV Movie. "A Howling In The Woods." 12.40 a.m. Faith For Life.

YORKSHIRE

10.35 a.m. Ed Allen Time. 10.55 Cartoon Time. 11.05 Untamed World. 11.35 Ancient Games. 1.20 p.m. Calendar News. 5.20 Fantastic Voyage. 6.00 Calendar (Emley Moor and Belmont editions). 11.00 Hec Ramsey.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 Ed Stewart (S) (also on VHF). 4.30 [illegible] D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.02 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 [illegible] (S) including 6.15 [illegible] Thought. 7.02 Simon Bates (S) including 8.27 Racing Bulletin. 8.45 [illegible] Thought. 9.02-11.30 Pete Murray's [illegible] House (S) including 10.30 [illegible] Walk. 11.30 Jimmy Young (S). 1.45 p.m. Sports Desk. 2.55 Good [illegible] 2.02 Ed Stewart (S) [illegible] 2.45 and 3.45 Sports [illegible] Waggoners' Walk. 4.45 Sports [illegible] Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 [illegible] 7.30 Sports Desk. 7.33 [illegible] The Organist Entertains (S). [illegible] Carmichael's Music Night (S). 9.02 Among Your Souvenirs (S). 10.02 Sports Desk. 10.05 The American Show [illegible] 11.02 Michael Meech with The Late Show (1500m only, also 202m [illegible]) joins Radio 1. 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 8.55 John Clare and Birdsong. 9.00 News. 9.05 This Week's Composer: [illegible] (S). 9.45 Academy of the BBC (S). 10.55 New Records (S). 12.20 p.m. Helsinki Festival 1975 part 1: Beethoven (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Helsinki Festival part 2: Tchaikovsky (S). 2.10 Music in Our Time (S). 3.30 Chichester [illegible] Festivities (S). 4.40 Mozart concert (S). 5.15 Jazz Today (S). 15.45 Homeward Bound. 16.05 News. 16.10 Homeward Bound (continued). 16.30 Lifelines: Work and Training. 7.30 BBC Northern Symphony Orchestra part 1: Britten, Mahler (S). 8.15 The Great Strike of 1926 (as Radio 4). 8.35 Concert part 2: Brahms (S). 9.30 Drama Now (S). 10.45 Willaert concert (S). 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.25-7.30; 11.30-11.50 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.15 a.m. Prayer for the Day. 6.45 Today. 7.00 News and more of Today including 7.25 VHF Regional News. 7.45 Thought for the Day. 8.00 [illegible] 8.25 VHF Regional News. 8.45 [illegible] 9.00 News. 9.05 Tuesday [illegible] 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Down Your Way. 11.45 The Wit and Wisdom of [illegible] 12.00 News. 12.02 p.m. You and Yours. 12.27 Fall's Army. †12.55 Weather; programme news; VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Les Misérables. 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report. VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 My Music (S). 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.20 BBC Northern Symphony Orchestra part 1 (S) (as Radio 3). 8.15 The Great Strike of 1926 (as Radio 3). 8.35 Concert part 2 (S) (as Radio 3). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Now The Moment We've All Been Waiting For . . . . 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Tony Fish with Rush Hour. 9.00 Susie Barnes with London Live. 11.03 In Town. 12.03 p.m. David Simmons' Call In including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Matter of Fact. 4.32 Richard Vaughan with Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Weekly Echo. 8.30 All That Jazz. 10.03 Tony Blackburn's Late Night London. 12.00-12.05 a.m. As Radio 2.

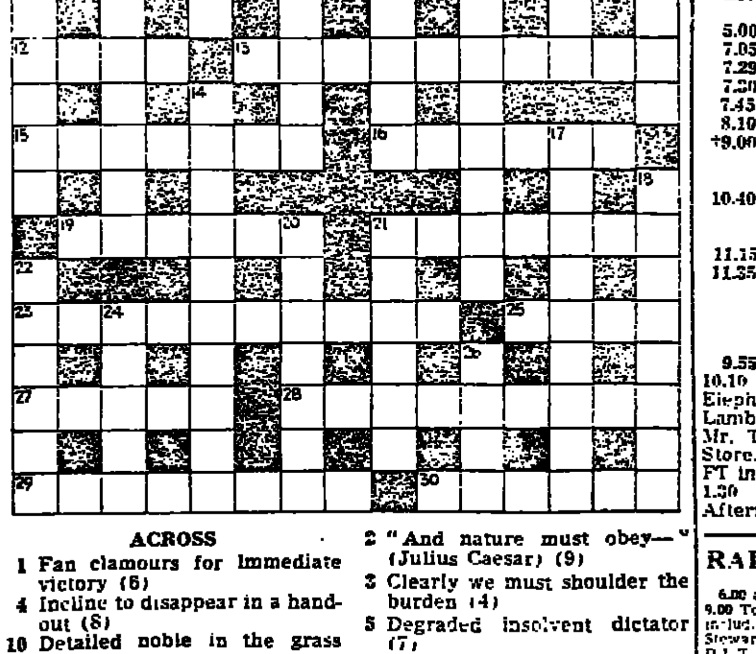
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 3.00 Newsbreak. 7.30 Music in Stereo. 9.00 Nightline. 1.00-5.00 a.m. Nightwatch —news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 Jane Walmsley and Bryan Wolfe: London Today. 7.30 Adrian Love: Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 Tho Late Show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,093



ACROSS

1 Fan clamours for immediate victory (6)
4 Incline to disappear in a hand-out (8)
10 Detailed noble in the grass (9)
11 Form of Socialism in America (5)
12 Dodge the right to employ (4)
13 Found in stage direction (10)
15 They can frighten or give Dutch courage (7)
16 With obscenity about the City district is outspoken (6)
19 My sets change the bodily organism (6)
21 "The fly that sips—is lost in the sweets" (Gay) (7)
23 The place for a nostalgic stroll (6, 4)
25 Dispute in the yard (4)
27 The girl from the Exmoor valley (5)
28 Accepted religion (9)
29 This child is full of grace (8)
30 Sounds sober but got the distance (6)

DOWN

1 Battle-kit for the prison officer (8)
2 "And nature must obey—" (Julius Caesar) (9)
3 Clearly we must shoulder the burden (4)
5 Degraded insolvent dictator (7)
6 I see drivel in manners of speaking (10)
7 Glowing start to days of fasting and end to three months (5)
8 Artist in a flood of invective (6)
9 The way up for the celebrities about one (6)
14 One offering advice to touch down up-country (10)
17 Pony coach can create a nasty sound (9)
18 A brawl indeed must be settled (8)
20 Roll up in a month for the author (7)
21 This evening in the States can be explosive (6)
22 For this egg-dish a Cockney home needs permit (6)
24 Rather includes the Southern code (5)
26 Quiet exit for a fish (4)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Bath Festival

by RONALD CRICHTON

Festivals in towns (they are the majority in Britain) without opera houses or large concert halls offer a variety of listening conditions sometimes rivalling the variety of the programmes. Bath opened on Friday with Bach's St. John Passion in the Abbey—a building so focal, so splendid on a spring evening as the tall windows slowly darken that the Festival would surely continue to use it even if the city possessed a big hall less inclined to smudge choral and instrumental textures beyond comprehension.

Of course, the ears of both performers and listeners to a considerable extent adjust themselves as the performance goes on. By the time the final chorus was reached on Friday evening things had sorted themselves out enough for the separate contributions of the Monteverdi Choir and Orchestra, under John Eliot Gardiner, to come over clearly and eloquently.

Earlier, it was often difficult even to disentangle the inner voices of the chorales, while there were moments, not typical of this choir, when individual voices stood out and caught the ear. Some minor mysteries went unsolved—why should the continuo to the bass arioso No. 31 be perfectly clear, while the not-dissimilar scoring of the accompaniment to the following tenor aria became a mere fuzz?

The gamba solo in another aria went entirely unscathed. The solo voices seemed to be affected by their position. The Evangelist was Brian Burrows, singing warmly and sensitively (I begin to prefer a less emotional, more objectively narrative approach). Perhaps he was tempted to colour his singing a little highly by unfavourable placing (near the chorus) compared to the Christus, John Noble, and the singer of the bass solos, Richard Jackson (outstanding). The ladies, Norma Burrowes and Doreen Walker, fared well.

Sunday evening's concert of the chamber music of Elliott Carter, held in the university, offered a total contrast. In this space, atmosphere and sound were clinical to a degree that might prove fatal to music less intellectually nourishing and technically complex. An unsympathetic piano took much of the needed resonance out of Noel Lee's playing of the Piano Sonata of 1945-46, but the bigness of design emerged safely in Mr. Lee's unruffled exposition.

The dryness was unflattering

The Entertainment Guide is on Page 17

to Ole Bohn's violinic harmonics in the *Duo for Violin and Piano* (1974), a work of formidable difficulty and interest which seems to take up the challenge of combining the two instruments more or less where Stravinsky left off many years ago in the *Duo Concertant* — Carter is one of the few living composers who could hope to go further down Stravinsky's chosen paths.

The concert, surely one of the most memorable of this year's musical tributes to America, also included a lucid performance of the fine Cello Sonata (1948) by Jennifer Ward-Clarke, and Stephen Pruslin, and a taking one by Gary Kettel of four of the Eight Pieces for Four Timpani.

The same player gave the remaining pieces in the Electric Candle's programme at the Theatre Royal next morning, but since he and his drums were rather far back on a stage cluttered with percussion paraphernalia, they proved much less compelling. Much of the surrounding ironmongery was heard to advantage in Robert Moran's *Bombardments No. 2*, a good percussion break as they go in a field where the law of diminishing returns is surely beginning to operate. James Wood's *Aria II* (world premiere) provided a swish-plonk background to poetic prose and poems by Christopher Tremayne, tensely delivered by Monica Sinclair and Omar Ebrahim. This was a concert "*for children and parents.*"

The main event (another world premiere) was a short piece of music theatre by Stephen Oliver about the Loch Ness Monster, called *The Great McPorridge Disaster*. Here the contribution of the children (invigoratingly rehearsed by the composer before the interval) made up for some rickety comic dialogue, and a general feeling of cheerful flimsiness.

The U.S. sent not only Elliott Carter in person, but one of their most distinguished chamber ensembles. The Beaux Arts Trio of New York arrived, I am told, expecting to play a different programme from the one announced, and were forced hastily to borrow the music for trios by Haydn (No. 32 in A), Schubert (E flat) and Ravel. No one could have guessed this from the results, immaculate and brimming with interest, razor-edge brilliance in the Haydn finale, an amount of nuance in the Ravel that persuaded one they had just spent months thoroughly rethinking the work, even occasionally toying with the bazaar orientalism whose faint but unmistakeable presence is part of the score's strong but ambivalent appeal. Seldom can the Passacaglia theme have been so simply but grandly presented as by the cellist Bernard Greenhouse (dedicatee, incidentally, of Carter's Cello Sonata) or the finale made so wholly persuasive—here the pianist Menahem Pressler was outstanding.

Festival Hall

Abbado and Pollini

by DOMINIC GILL

The penultimate concert of the London Symphony Orchestra's Beethoven series—adventurous, innovatory choice of composer for our major orchestra's *summer series!*—was conducted on Sunday night by Claudio Abbado. It was a good concert, if not a very exciting one: good, for those who judge their performances in terms of hi-fi accuracy and clarity; less *than exciting perhaps for those* who look for personal accent in a performance, some sense of personal testimony, some kind of personal (or collective) *illumination of the music.*

The hallmarks of the evening were crystal clarity and driving energy: a fast, brilliantly articulated account of Beethoven's Egmont overture, with plenty of bright, forward brass, set the *manner* exactly. Abbado's seventh symphony had most of the commonly applauded virtues of a great performance: superbly crisp and precise definition of *gesture and phrase, keen attack,* vivid contrast, and from first to *last tremendous forward impetus.* Tempi were mainly fast—the first movement's *coda* I thought even a shade too fast for comfort, but the pace of the finale, *and that of the slow movement,* a nice, easy-moving *allegretto,* were both beautifully gauged. Yet there was also something missing: perhaps most notably, in every movement, a sense of full gravity, in the Klemperer sense, *full weight—an overwhelming* conviction of matter in every measure, and of every measure judged. A sleek, glossy performance I found it, brilliantly pre*sented, but without complex* reverberation or depth.

Pollini was the soloist in the fourth piano concerto. There was never a moment's hesitation in his reading, hardly hair's breadth of barline out of place — a *supremely* efficient, supremely confident, almost outrageously perfect performance, which moved me to wholehearted admiration, but to little more. In *the first movement, he played* Beethoven's shorter, more vir*tuoso cadenza, which to ears like* mine, raised on that other, extraordinary, deeply poignant cadenza, never sounds quite right. Strange experience, to *marvel* at such authority, command and conviction, at playing of such exquisite control and finesse: and to remain so little touched.

One or two horn fumbles apart, the *orchestral* ensemble was admirably unanimous and clean. The actual quality of *sound produced, however,* was consistently rough, brash, coarse-grained—exciting at climaxes, but hard on the ear for the duration of three whole works. Someday perhaps the LSO will take a season under a conductor who really cares about *subtle* balance of instrumental voice and texture, delicate nuance of timbre, loving contrast not just of black and white, but of the whole orchestral palette—who can phrase, in two words, instruments sing.

Theatre Royal, Bristol

Le Weekend

by B. A. YOUNG

Here they are again, the British prosperous, leisured, demi-artistic middle-classes in their week-end retreat, confined to the house by the ceaseless rains of June. Not their own retreat this time, but a Suffolk cottage whose owner, Jimmy, currently touring abroad, may be inclined to sell, having left his friend Colin in charge.

Colin initially makes his position clear. "I'm a house-minder, not a servant," he announces when a suggestion that he should *get breakfast hovers in the air.* Later his position becomes more complicated, as he devotes himself to stirring things up through the medium of parlour games *and a little interesting sexual* intrusion.

Sexual intrusion is not much resented, for the party run their emotional lives like a game of *Monopoly or even Snakes and* Ladders. They consist of ageing David (Tennie) Evans) and his new, young American wife Martha (Kathryn Leigh Scott), and ageing Beth (Judy Campbell in an auburn wig) with her prey, the young up-and-coming financial parvenu Kit (Terence Wilton). Kit dresses, and undresses, very smartly and spends much time looking at himself in *a pier-glass. Colin undresses* less glamorously but more completely, even removing his gold-rimmed granny glasses before creeping upstairs in search of advantage. *David* is so unmoved when Martha is un*faithful in their double room* that he silently watches the coupling. At least three of the week-end party are reported to have been to bed with Jimmy.

I found it all too theatrically contrived, and Tony Firth's dialogue *does little to inspire* belief in his puppet characters, with its reliance on novel-writer's prose and sub-epigram ("People forget wit, they always remember behaviour"; "I've had men and come out the *other side, anything I do now is* just an encore.") The play is stylishly directed by Richard Cottrell and attractively played by the company: but at the end *I felt that Le Weekend is the* kind of play that reconciles me *to Watch It Come Down.*

Sadler's Wells Theatre

Pandora by CLEMENT CRISP

The interesting thing about David Morse's *Pandora*, receiving *its first London performance* Thursday, is not its mythological *subject—which Mr. Morse fails* to present with much conviction —but the indications that he can make dances. The story, indeed, is an odd one for balletic *treatment, albeit the fine Roberto* Gerhard score was originally composed for Kurt Jooss's company during the war. It involves Prometheus and his brother *Epimetheus, an angry Zeus,* Pandora and her jar, and innocent mankind beset by evil. Without study of the programme note, I do not suppose that the *action would seem comprehensible*—and I am an advocate of the self-sufficiency of dancing, rather than of explanatory texts to help us grasp what the dance *is meant to tell us.*

Yet Mr. Morse's choreography has a character, clear and sometime geometric in planning, that compels interest. Sculptural poses, an austerity of outline, are signs that this first professional work is sustained by a *talent well-worth encouraging.* It is convincingly danced by Marion Tait as Pandora, Alain Dubreuil as Epimetheus, and Peter O'Brien, who replaces the *injured* Stephen Jefferies as Zeus. Peter Farmer has provided simple, handsome costuming, and David Atherton's arrangement of the score is a well-reasoned advocate for Gerhard's theatrical gift.

In the rest of the programme, *The Dream* was danced prettily, and *Card Game's* jokes were put across with a lot of enthusiasm —notably by Vyvyan Lorrayne as the unfortunate Queen of Hearts, Brenda Last as a madcap two of diamonds, and by Alain Dubreuil as the Joker, with a light touch to his anarchy. In *The Dream* Paul Waller was a new and engaging Bottom.

★

Following the final week of the Stuttgart Ballet's season, tribute must be paid to the exceptional quality of the company performances. I have been fortunate enough to see seven of their programmes: in everything their quality of dedication has been a constant joy. Their dancing looks totally *involved:* physically and emotionally they give themselves without mannerism or affectation. Their style is big, fully-stretched: in *Initials RBME* and *Greening,* in *Daphnis* and *Voluntaries* and *Romeo,* one admires not just the excellence of the principals, but the very positive feeling that the entire ensemble is working to the same end—the greater glory of the ballet itself. It has been a wonderful visit by a heart-warming company.

Greenwich

Heaven and Hell

by B. A. YOUNG

John Mortimer's philosophy *may be questionable, but his* comedy is superb. In the two plays that make up this bill, indulgence—vice, as I might have called it before being seduced *by Mr. Mortimer's metaphysics* —brings satisfaction and virtue, or what passes for virtue, brings despair.

The first piece, *The Fear of Heaven, is little more than a* curtain-raiser. Two casualties awaken in an Italian hospital where the ceiling is decorated with a great religious painting. *Naturally they conclude that* they are in heaven, in spite of the nurse, the doctor, the bed-pans and so on. What follows is a masterly duologue between *Lewis Luby (Denholm Elliott)* who throughout his life has glorified fictitional debauchery on behalf of the British Council but has lived in strictest temperance, and Tommy Fletcher (Peter Woodthorpe) who has wallowed in incest and sodomy yet remains indignant at the representation of vice in art.

The Prince of Darkness touches our world more nearly. The vicar Gavin Faber runs clubs for rainwear-fetishists and bondage-fetishists and ordinary gays, though he has relinquished such common routines as prayer. *In the kitchen his wife Madge* has given up hope either of sexual satisfaction or of reasonable housekeeping, desperately dumping the tea-things into the waste-bin and proposing to make dinner for the bishop out of a *kipper and a slice of Mother's* Pride.

To the rescue comes the new curate, A. K. Bulstrode, ex-RAF, who begins his prayers — yes, *actual prayers* — with such salutations as "Almighty and most merciful Father, who didst help us bring our bombs in dead on target." Having had some luck with a *prayer for rain,* answered by an immediate thunderstorm, he prays more ambitiously for food. When Madge goes next to the kitchen she finds the *refrigerator packed to over-flowing* with loaves and fishes.

Miracles having been so authenticated, the curate proceeds to ensure that Madge, *despite her totally virgin married* life, shall find herself with child.

Peter Woodthorpe, prim and respectable as the incestuous sodomite in the first play, *becomes hilariously trendy in* the second, though I think that with his devotion to the obsessions of the outlandish young he should get himself something *smarter to wear. He might* follow the example of his even trendier bishop, a splendid creation by Trevor Baxter with a fabulous pectoral cross over *his episcopal purple frock.* If anyone thinks these characters are exaggerated out of all probability, I commend them to the advertisement inserted into the *Bristol Evening Post by the* Church of SS. Philip and James ("Saints Pip and Jay"), headed by the line "God is for real."

Denholm Elliott has made an *opposite transformation, turning* from a suet-faced intellectual to a ramrod-erect disciplinarian. Matching the delight of these performances, Eleanor Bron *gleams in the kitchen until her* own personal miracle brings her, like a suburban Lazarus, back to life.

May Fair

What's a nice country like us . . .

by B. A. YOUNG

. . . doing in a state like this completes the title. The country is the U.S., and if you think it impertinent of a British company mocking the social and political condition of that nation, I must agree, only adding that the largely American first night audience found the show worth cheering.

The show is a sequence of jokes turned into serviceable verse by Ira Gasman and set to better-than-serviceable music by [illegible]ry Hoffman, music good enough, in fact, to impose an acceptable variety on what might easily have become a monotonous formula.

Monotony is indeed barely kept at bay in the early part of the show, where all the nostalgic old jokes about half-forgotten politicians, Nixon, Erlichman, Haldeman, are brought out for a dusting. After the interval a great change comes over the script. There is pleasant, though not deep, social comment in contrasting moods, from the social satire of the Porcupine Suite, examining the leisure behaviour of whatever Americans call their middle class, through the *romance of the song about a* daisy that grew up through a concrete pavement, to the sentimentality of the lament over a boy-friend killed in the—a—war. I found this most enjoyable.

The company, never more than superficially Transatlantic, consists of Peter Blake, Billy Boyle, Neil McCaul, Jacquie Toye and Leueen Willoughby. *This order* is alphabetical, but Mr. Blake, an admirably versatile singer and comic, also comes first in my estimation among a generally likeable lot. *The director is* Michael Quinn McAloney, who has confusingly listed the items one way in the programme and a very different way on the *stage, and the music is played* by Richard Leonard on a piano far away in the balcony.

It's wonderful how much a good second act can do to wipe out memories of a dubious first; I came out at the end thinking what a delightful evening I'd had, whereas at the interval I was kicking myself for not being somewhere else.

Albert Hall

Daniel Barenboim

by DAVID MURRAY

Knowing that a piano recital at the Albert Hall was to consist of Beethoven sonatas, you would, of course, guess them to be the *Pathétique*, the *Moonlight*, the *Waldstein* and the *Appassionata*; and so they were. It is true that Alfred Brendel had a brilliant success there with the *Diabelli* Variations, but he played in the middle of the Promenade, surrounded by rapt prommers. On Sunday night, Daniel Barenboim delivered his safely familiar programme to the vast, *darkened* hall from the isolation of the stage. That may explain the prevailing coolness of the evening, which was notably cough-ridden; or perhaps his *generally* low-temperature readings were not what was expected.

Needless to say that Barenboim's playing was immensely musical, fluent and thoughtful, and made no unbeautiful sound. But his accounts of early and middle Beethoven gave no sense of energy barely leashed: the music was made too well-behaved ever to strain at the lead. The opening movement of the *Pathétique* was deliberate and a bit small-scale, as 18th-century as could be contrived; the Rondo *was tame and tidy, with most* energy directed to creating pretty half-legato effects in the episodes. Again, the *Waldstein* Allegro was a mild affair, waylaid by some *mannered fussing with the con-*tinuation of the second subject, and Barenboim treated the hurtling left-hand part of the Rondo almost as a background wash of figuration à la Ravel.

Barenboim's *Moonlight* favoured limpidity over poignancy, and it had a deliciously turned Allegretto; the Presto agitato was oddly relaxed, and subsided meekly before the coda. Something much more like *the pianist's best form* was displayed at last in the *Appassionata*, which was nobly sustained in long lines—no hint of anxious snatching in the *opening Allegro, nor of plump*ness in the Andante (which was even a little dry, perhaps under-pedalled for the hall). By the end of the finale he was tiring, but he *had made fine, unforced* sense of the movement, without barnstorming. Given the occasion, it was a performance of creditable poise.

Elizabeth Hall

Cherkassky by DOMINIC GILL

*Cherkassky's keyboard adven*ture last week as ever wonder*fully indiosyncratic, meticulously* pointed, compellingly indulgent, took *us from* Mozart *through* Schumann to Skryabin, and then on to the zanier shores where the lollipops grow.

He began with Mozart's B flat sonata K333, given, in Cherkasskian terms, almost entirely straight, unembellished, faithful to the classical spirit of the text —the only whimsy, introduced with marvellous delicacy, a kind of dialogue between the loud and the soft pedals, especially in the andante, sudden unexpected leavenings of contrapuntal texture, shimmering, dove-soft sonority. Perhaps the effect intended—certainly that achieved — was of tutti and soloist: apt *enough in this most* concerto-inspired of sonatas. In both outer movements, semiquavers were glossy, resonant, perfectly clear, flutter-pedalled every one.

Of Schumann's F sharp minor sonata op. 11, the evening's *centrepiece, Cherkassky gave a* profoundly serious, honest, caring performance, proposed in the grandest, broadest outline, splendidly rich nonetheless with *amorous working, loving musical* experiment, subtle interplay of voice and texture, dappled light and shade. Very impressive, the stately *poco adagio* tempo chosen *for the Introduction, to lend* exactly the right sense of epic proportion; the Aria, keyboard alchemy of voice and instruments, sung with present (never distant), *vibrant tenderness, but never for a moment* cloyed with over-sweetness: the extraordinary finale, with its air of inspired extemporisation set down at white heat, *superbly held to*gether by Cherkassky—jubilant, youthful writing; even to-day *still avant-garde in its wildness* and daring, alive with flying echoes of Chopin, *pre-echoes of* Chaikovsky, Rakhmaninov, Skryabin.

It seemed a natural sequence to follow, after the interval, with Skryabin's fourth sonata—a crystalline structure and sound-world so perfectly suited *to Cherkassky's art, moving* (like the composer's own free verse poem which accompanies the sonata) from starlight to brilliant sunlight, from awe to sensuous yearning: from child-like joys to heavy petting in Paradise.

An odd, uneven, strangely haunting performance, which led straight away to the bon-bons: a trio of Saint-Saëns goodies, the F minor Prelude and Fugue op.52, and the absurdly lovable *Etude en forme de valse,* an exquisitely naughty account, purest Cherkassky, of Liszt's D flat Consolation; *and* for a grand finale, the Liszt arrangement—a Horowitz special, this—of Mendelssohn's Wedding March. Three encores, *two by Chopin: best of all,* sinuous, silk-soft, the Albeniz-Godowsky *Tango.*

Arts news in brief. . .

La Grande Eugène, the French cabaret at the Round House, will run there until September 25 to accommodate the great demand for seats.

★

The Australian Ballet will give the British premiere of its production of Franz Lehar's The Merry Widow at the London Palladium in July. It will open *with a gala performance at 7.30* on July 8 and continue with a further 28 performances, concluding on Wednesday, July 28.

★

Tom Stoppard's play-complex *Dirty Linen and New Found Land* that has been playing at lunchtime at the Almost Free under the direction of Ed Berman will transfer to the Arts *Theatre for evening perform*ances on June 16. Times of performance, 8.30 p.m. Monday to Thursday, 7.00 and 9.15 Friday and Saturday.

★

The V & A is to mount a major exhibition of American Art from the period surrounding the Revolution, which it claims is more comprehensive, and con*tains a higher quality of exhibits* than ever previously shown in Britain. It opens on July 15 and lasts until September 26.

The exhibition is being co-sponsored by The Pilgrims, The Arts Council of Great Britain, and the Victoria and Albert Museum *itself. Masterpieces have been* lent from several great public collections, including the Metropolitan Museum in New York, the National Gallery in Washington, *and the Museum of Fine Arts in* Boston. In addition, treasures not normally accessible to the public have been generously lent by some of America's leading private owners.

Elizabeth Hall

Syzygy by MAX LOPPERT

Not surprisingly, the most interesting American Bicentennial Celebration concert *so far has* been the London Sinfonietta's on Friday. *The mixture of 20th* century American, new and old, in lively and accomplished *perform*ances under Michael Tilson Thomas, *was recognisable* Sinfonietta fare, and very welcome.

The first performance was of *Syzygy* (1966) for a solo group of soprano, horn and tubular bells, and a small chamber orchestra, by David Del Tredici (born 1937). The title, borrowed from science, concerns the union or opposition of *previously* unrelated objects, to which signification the composer has added one of his own, in the programme note — the word "has always looked to me like some other, uncreated word, run backwards, mirror fashion." *For* once a title is not just a detachable frippery, but a real clue to the understanding of the piece, and a distillation of its complicated close-worked style.

Two poems by James Joyce, "Ecce puer" and "Nightpiece" are given musical setting dis*similar in surface and texture,* but alike in the technical devices of musical mirror-images, crab-canons and inversions that underlie the structure. There is something medieval about Mr. Del Tredici's compositional manner, its mysticisms of numbers and musical formulae, its intricate rhythmic patterns: but infused with a soaring lyrical line —the solo soprano part, *immensely difficult in its convo*lutions, stretches high above and deep below the stave, always entertwined with a similarly florid horn part. The rather precious atmosphere of the music is not something I myself warm to: but I respect the all-inclusiveness of the composition, its ambitious vividness, and look *forward to encountering more of* Mr. Del Tredici's music.

Only with score in hand could one tell that Deborah Cook (soprano) and Michael Thompson (horn) were not *always accurate* in rhythm and pitch — but what *difficulties they faced, and how* well! Miss Cook's soprano remained sweet and true at all levels, although her *low notes* were apt to be covered despite the discreet amplification. Making up the rest of the programme were the debilitated sound-world of *Morton Feldman's For Frank O'Hara;* Ives's *Unanswered Question* and *Central Park in the Dark;* and the chamber orchestra scoring of Copland's *Appalachian Spring*—under Mr. Tilson Thomas, all *given fresh, scrupulous* and beautiful performances.

Basildon Jazz Club

Basildon Jazz Club sessions continue every Wednesday at Sweeney's, High Pavement, Basildon, until June 23.

June sessions are: 2: Humphrey Lyttelton and his band which includes Bruce Turner (alto), Kathy Stobart (saxophones) and Tony Mann (drums); 9: the Dick Morrissey/Terry Smith band, plus the group Zeitgeist; 16: the Stan Tracey quartet. Details of the June 23 session have not yet been *finalised.*

The Basildon Jazz Club is *promoted* by the Basildon Jazz Society with the support of Basildon District Arts Association and the Eastern Arts Association.

'50 Years of Ballet Rambert'

In *celebration of* the 50th anniversary of Ballet Rambert, a book is to be published to-day. Compiled and edited by Anya Sainsbury, Peter Williams and Clement Crisp, it contains a pictorial record of the company's history over 50 years.

The Introduction is by Sir Sacheverell Sitwell and Dame Marie Rambert has given a long interview which is illustrated by new portraits specially commissioned from Lord Snowdon. The book costs £1 and will be on sale *at Sadler's Wells Theatre during* the company's season there from June 15 to July 3; or it can be ordered by post from the Ballet Rambert offices, 94, Chiswick High Road, London W4 1SH for £1.25.

HOME NEWS

UK importers urge change in EEC textile policy

BY RHYS DAVID, TEXTILES CORRESPONDENT

CHANGES in the methods of allocating quotas for the import of textiles have been suggested by members of the British Importers Confederation in informal discussions with EEC officials.

The importers are concerned that the present EEC system which allows the exporting country to administer quotas, is resulting in much higher prices having to be paid, and soundings have been taken to see if the EEC will consider adopting the alternative method of allocating the quotas to importers on the basis of past performance.

The problem has arisen because of the much wider range of textile goods now under restraint following the recent series of agreements concluded between the EEC and the supplying countries under the GATT Multi Fibre Arrangement, the agreement which now regulates much of world textile trading.

Because of the restrictions some shortages have developed and there have been reports of a black market in quotas developing in some supplying countries. As a result, European importing organisations, including those in the U.K., are being asked to pay a premium for goods for which a quota has been obtained.

Concessions

British importers who met recently in London with Mr. Benedict Meynell, director in the external relations division of the Commission, were left with the impression, however, that a change in the system is unlikely.

The exporting countries claim that the present system makes it possible to share work around companies, whereas importers might be inclined otherwise to place their business with a few large concerns. The supplying countries would also be likely to ask for concessions elsewhere in return for changes.

The importers also want changes in the system of administering the EEC's Generalised System of Preferences covering a wide range of goods originating in developing countries. They claim that as a result of the present system, which allocates quotas for goods on a first come first served principle, importers cannot be certain whether shipments will arrive in time to take advantage of preferential rates. Some importers, the BIC points out, are reluctant to pass on the preferential rates to customers fearing the unsettling effect of a leap in price when later consignments arrive.

The meeting with Mr. Meynell, which was held under the auspices of the Centre International du Commerce de Gros, the body representing importing organisations in the main European countries, marks a move by importers to strengthen their links with the EEC. The need to ensure better representation is seen as particularly important because of the coming re-negotiation of a number of major world trade agreements. In the textiles field, talks are due to start later this year on the next stage of the MFA.

The importers are particularly anxious to avoid the confusion which arose from the retrospective quotas introduced last summer on Taiwan which were dealt with outside the MFA because of the EEC's withdrawal of recognition of the Taiwan Government.

The BIC claims that although the U.K. Government did allow importers to clear some of the backlog of goods caught up by the introduction of quotas, a large quantity of trousers ordered in 1975 will not be able to gain admittance into the U.K. until 1977. The need to clear up a number of other areas of confusion arising out of the MFA was also put to Mr. Meynell.

More Home News, Pages 20, 21

Give builders more scope—Watkinson

BY RHYS DAVID

A CALL for liberalisation of the building permit system so that industry can build at existing locations instead of being forced to move away to expand has been made by Lord Watkinson, president of the Confederation of British Industry.

Lord Watkinson, whose views will be seen as challenging one of the main tenets of regional policy in recent years, claims more latitude should be allowed during a period of recovery to companies to extend existing plants, even though this might not represent the best possible planning.

Writing in the journal of the National Federation of Building Trades Employers, the new CBI president also advocates a much tougher line by the CBI as a whole on the question and urges the builders to put their views very strongly to it.

Discussing the CBI's role as a consultative body, Lord Watkinson says that it does not want to go back to tri-partite discussions, involving Government, CBI and the TUC.

"Tri-partite meetings tend to muddle and confuse the issue. So certainly the preferred pattern for the CBI is that any tripartite consultations that take place should be through NEDC on relatively neutral grounds."

On price control, Lord Watkinson says that a sensible pricing policy lies at the foundation of recovery. "If the Government and the TUC are not willing to recognise that free enterprise has to make a better return on its capital than something like 4 per cent.—which is the situation now in inflation terms—then this country is bust and we have to say so. And what that will do to the pound I do not know."

Lord Watkinson says it is not possible to expect companies to invest when the foreseeable return on their assets is well below the present level of interst on borrowed money.

"It is only fair to say that the Chancellor's treatment of stock appreciation has helped the short term cash position, but if he wants to help in the long run he has got to allow companies to make a better return and thus increase their cash flow."

Chamber has doubts on pay agreement

THE Government-TUC agreement on pay policy may not by itself be sufficient to control inflation, the latest economic report from the London Chamber of Commerce and Industry warns.

The fall in the pound may cause difficulties in securing trade union support for continued wage restraint, as the squeeze on real income intensifies, as well as delaying the Government's target for reducing the inflation rate by several months, it claims.

The report also states that uncertainty abroad is not only about the unions, but also about monetary control and it calls for a strict monetary policy, together with an incomes policy.

The latest money supply figures give a hint of the problems, when private sector demands for finance increase and the high level of savings drops. Although an export-led recovery is proceeding faster than expected, there are dangers that inflation could get out of control and bring the recovery to a premature halt, it warns.

The report points out that unemployment is now levelling out with the figures for May suggesting that a genuine fall should begin soon.

"The usual pattern is for the upturn in employment to start six to nine months after the low in output has been reached, but one worrying feature of the present business cycle is the early complaints about shortages of skilled labour in certain areas, machine tools, construction and computers, for example, the report says.

Despite this, and other anticipated bottlenecks in supplies of materials, such as steel, once production increases the report believes that an export-led recovery may be in its initial stages. The last trade figures for April, which showed a deficit of £135m., should not mask the continued underlying improvement in Britain's balance of payments situation.

But imports of raw materials—which are beginning to increase as industrial production rises—are being made dearer by the floating pound. Import unit prices have risen by 4 per cent. whereas export prices are taking longer to adjust. The encouraging sign is that exports are rising in volume as well as price and at a much faster rate than expected.

New anti-inflation measures needed to achieve 6% goal

FINANCIAL TIMES REPORTER

THE CONTINUING fall in the external value of the pound has strengthened the case for further Government measures if the target of a 6 per cent. inflation rate by the end of 1977 is to be achieved.

This is one of the conclusions drawn from an analysis of the economic situation by Dr. D. F. Lomax, economic adviser to the National Westminster Bank. Dr. Lomax warns that the fall in sterling's value is jeopardising the Government's budgetary strategy through its impact on the cost of imported goods.

He argues that sterling's decline has not been decisive yet in putting the inflation target beyond reach, although the Government has already admitted a slip of two months in its timetable, but further "significant" depreciation could make it unattainable with present policies.

Highlighting the importance of foreign "sentiment" in fixing sterling's exchange rate, Dr. Lomax predicts continued external pressure "to manage Government economic policy in as orthodox and careful a way as possible."

The medium-term advantage in sterling's present difficulties was that the rate was unlikely to become overvalued in competitive terms. Industry should be able, therefore, to plan on the assumption that exports will be profitable for a considerable time to come.

Available economic indicators confirm that the domestic economy is still relatively subdued. The index of industrial production fell slightly in March, retail spending has been fairly sluggish and unemployment is still rising, albeit at a slower rate.

On a more positive note, the average monthly trade deficit is down from £88m. in the November 1975 to January 1976 quarter, to £52m. for February to April; and the retail price index has fallen from its peak of 26.9 per cent. up on the previous year, reached last August, to 18.9 per cent. in April.

Referring to the new Government-TUC pay policy, Dr. Lomax points out that it will have to be implemented during a period when the economy is gradually recovering. Shortages in some key categories of skilled labour could put strains on the new limit at shop floor level.

"We reiterate our view that the monetary and fiscal background does not appear fully consistent with the authorities' apparent target of a 6 per cent. inflation rate by the end of 1977, and that in due course further policy measures will be needed in these areas," he says.

Gas Board defends cut-off

A RISE of 10 per cent. in gas prices might be needed if the Government accepts proposals to abolish powers to cut off supplies to bad payers, British Gas claimed yesterday.

The Corporation issued a detailed statement criticising a recommendation last week by the National Consumer Council urging new tariff scales based on a single flat rate; the end of standing charges on gas an delectricity; and disconnection powers. The recommendations are called ill-informed and discriminatory against different categories of users.

"Ending disconnection powers would not help the poor or needy in any way but would lead to a massive increase in the Corporation's working capital and the cost of debt recovery," said the statement.

"Habitual bad payers would seek to take advantage of the opportunities of delay. Even now some 3m. of our customers do not pay their gas bills until threatened with disconnection.

"There is bound to be considerable delay in recovering money owing to us through the courts.

"It is estimated that for every additional month's delay in the average time to payment the Corporation would require an increase in its working capital of some £200m.

"The additional cost of debt recovery and interest costs could mean an increase of 10 per cent. in the price of gas, which would have to be borne by the general body of gas customers.

"British Gas is conscious of the impact of increased costs and over the last 18 months, in raising its prices, has in fact restructured its tariffs in favour of the smaller user."

Ferry traffic with Europe continues to rise

BY OUR SHIPPING CORRESPONDENT

THIS YEAR'S boom in short sea ferry services between Britain and the Continent has been confirmed by Tor Line, the North Sea ferry operator, which reports an 11 per cent. increase in bookings for the first nine months of this year over the same period in 1975.

A similar upsurge in traffic has been reported by other ferry operators, including those on cross Channel routes where an increase in Continental passengers making brief shopping trips to the South Coast has made a noticeable difference to bookings.

Over the past few months Tor Line has introduced two new ships on its U.K.-to-Scandinavia services from Immingham and Felixstowe. In a bid to push up passenger volumes during the winter season, Tor Line has announced reduced fares for weekday passengers and free crossings for motor-cars on Monday sailings between Felixstowe and Gothenburg.

Sailings between October this year and March next year will be on Sunday, Monday and Thursday from Felixstowe but services to Gothenburg from Immingham will be discontinued during the winter.

Bank sponsors cricketers

TONY GREIG, captain of the England and Sussex cricket teams, has received a cheque for £500 from the National Westminster Bank as the first instalment of a five-year sponsorship of the Sussex club's under-19 team in the annual Cambridge festival.

At the presentation, Greig said: "We have a thriving indoor school, Easter coaching sessions attended by 400 boys and a number of very promising youngsters on the threshold of the county team.

"This support from NatWest secures our participation in the festival for five important years in the club's development."

Capital sought for steam line

OIL potentates, including the Shah of Iran, are being asked to help in the fight to save an old railway line for steam trains at Loughborough, Leicestershire.

Prospectuses are being sent out giving details about the newly-formed Great Central Railway Company, which seeks to raise £375,000 to buy track between Loughborough and Birstall. Unless the money is found through sale of shares in the company by July 1 British Rail will remove the track.

National Debt up £11bn. says official estimate

BY ANTHONY HARRIS

THE BRITISH National Debt rose by nearly £11bn. to £56.577bn. in the year to March 31, according to estimates published in the official Financial Statistics published to-day.

Less than half this increase represents marketable Government securities, whose total rose by £855m. to £34.7bn.

A large part of the increase in the rest of the national debt arose from the revaluation of remaining dollar debts—dating back mainly to the 1940s—whose sterling value was written up by nearly 50 per cent. during the year. There was also a rise of nearly £900m. in sums owing to the IMF.

However, the sharpest single rise was the increase of £3.3bn. to £10.85bn. in the outstanding issue of Treasury bills.

While many of these are held by the Bank of England as backing for the increased currency issue, there was also a strong rise in private investment in Treasury bills, mainly by companies seeking a better return on their cash balances than offered by the banks.

INSURANCE

Premium saving for private motorist

BY OUR INSURANCE CORRESPONDENT

THOUGH the cost of "comprehensive" motor insurance appears to have risen substantially particularly in the last two or three years, the price to the motorist in real terms is considerably less than 40 years ago.

Compare the pre-war and present-day cost of buying a medium-size family saloon car and insuring it comprehensively in the Home Counties.

In 1936 the cost of the car would have been around £150-£175 while the price of insurance net of the full 20 per cent. NCD then allowed would have been about £10 (getting on for twice the then average weekly wage).

Now the car will cost £1,750, but the insurance net of maximum 60 per cent. NCD will be under £50 (less than the present average weekly wage).

Despite this, there are complaints that comprehensive motor insurance is becoming too expensive and there is some evidence from the statistics assembled by the market that there is a distinct but as yet slight movement away from comprehensive insurance.

I have no doubt that the average British comprehensive car policy provides very good value for money and that the ordinary motorist who voluntarily and deliberately decides to insure only his third-liability risk (or perhaps to cover in addition his own car for fire and theft) will sooner or later in time of trouble find himself regretting his shortage of cover: for example, not only in respect of insurance for damage repair but also for windscreen breakage, personal accident benefit, medical expense or theft of contents.

Some insurers offer premium saving motor insurance by cutting out these ancillary benefits and providing the motorist with cover only against car damage and third party liability.

But since the cost to insurers of the "frills" I have mentioned is small in comparison with their payments for damage and injury, the percentage price reduction can only be around 10 per cent., no more than a marginal economy of £4 or £5 for the motorist who has earned maximum NCD.

Another way to economise on motor premium is to buy non-comprehensive insurance, with or without fire and theft cover and to buy in addition a legal expense policy which enables the motorist, where necessary, to pursue claims against anyone who damages his car whether in collision or otherwise.

The average cost of a third-party policy is around 50 per cent. of a fully comprehensive cover, and for our Home Counties family saloon motorist with maximum NCD will be in the £20-25 bracket.

Depending on the type of legal expenses policy bought, the price will range upwards from £5 plus brokers' charges.

So the motorist insuring in this way will be able to save certainly £10 in premium and probably more, depending on his precise circumstances.

At the present time, there are two sources of legal expense cover: DAS Legal Expenses Insurance Company of Bristol and certain Lloyds Underwriters whose cover is sold by Colchester brokers Strover and Co.

The original DAS private motorist's policy costs £12.50, irrespective of the number of cars and drivers the motorist had in his family, while Strover's price ranges from £8 to £14 but carries a 10 per cent. co-insurance clause: both policies provide £10,000-worth of legal fees per incident but this sum is also Strover's annual limit.

Even cheaper, among six new policies recently launched by DAS is a new low-price policy for the private motorist—the "Third Party Top-Up Legal Protection Policy," providing insurance of £1,000 per incident to cover the making of claims for damage to the policyholder's car and property, for loss of use and for personal injury to the driver and passengers.

The motorist who forsakes comprehensive cover and goes for a combination of third party and legal expenses insurance not only foregoes the comprehensive "frills": he still takes the risk of paying for all or some of his own damage repair resulting from those accidents where he is wholly or partly to blame or where the wrongdoer cannot be identified or happens to be uninsured.

Of course in theory, like most other misfortunes these are of the kind that only happen to the other fellow and never to oneself. Perhaps on this basis, premium economy is fine, so long as the motorist appreciates that there is a real percentage risk which he is bearing himself.

A cut for older drivers

FINANCIAL TIMES REPORTER

A MOTOR insurance contract offering cheaper premiums to drivers between ages 60 and 75 has been launched by the Legal and General Assurance Society, which has 600,000 motorists on its books. The company says it has found that motorists over 60 with per cent. fewer claims than younger drivers, so deserve a cut in premiums.

To qualify for this new policy drivers must have a three-year no-claims bonus and a clean driving licence for five years. The car must not be used for business purposes.

One feature of the policy is simplicity, with only three factors taking into account in calculating the premium—type of car, district and cover needed.

Its cost of comprehensive cover for a 1972 Morris Marina 1.8, the driver living in Leicestershire, is £38 a year, compared with £49 under a normal policy. The plan includes cover for hotel and travel bills up to £50 after an accident in which the car is put out of action.

Industrial life prospers

BY ERIC SHORT

PREMIUM INCOME of the industrial life asurance companies rose last year to a record £893m., an increase of £89m., according to figures issued by the Industrial Life Offices Association. Premiums in the industrial branch rose by £36m. to £418m. and by £53m. to £475m. in the ordinary branch. The industrial life companies are those which collect their premiums mainly from agents calling at the home.

Investment income of these companies increased by 12 per cent. to £240m. in the industrial branch and by 17½ per cent. to £287m. in the ordinary. The measure of the net savings channelled into new investment by the companies is given by the £473m. by which their income from premiums and investments exceeds the outgo in claims, expenses and taxation. The funds increased by over £1bn. by the end of 1975, reflecting the recovery in the stock market.

Mr. Dennis Berry, chairman of the ILOA, said that insurance of any kind was labour-intensive, but industrial life assurance had to bear the additional cost of premium collection at frequent intervals. This service still met the insurance needs of a majority of British households and would thrive more, and provide better benefits, the sooner inflation was brought under control.

Philip opens pilot station

PRINCE PHILIP makes a flying visit to Harwich, in Essex, to-day to open the new £300,000 Trinity House pilot station.

The Prince, who is Master of Trinity House, will tour the station which will be used by 120 pilots. They used to have to wait for the arrival of ships in an office in Harwich Town Hall.

Syria may reinforce its 17,000 men in Lebanon

BY IHSAN HIJAZI

BEIRUT, May 31.

THERE is strong speculation here that Syria is about to send military reinforcements into Lebanon after the sharp escalation in the clashes during the past two days. Left-wing sources which had charged that the escalation was intended to pave the way for the entry of additional Syrian troops, claimed that the reinforcements would be sent mainly to the Bekaa valley in the east and the district of Akkar in the north. Both regions are near the Syrian border and have been the scene of fierce fighting between rival right-wing and Palestinian-backed left-wing forces.

The speculation coincided with statements by Mr. Zubeir Mohsin, the leader of the Syrian-sponsored guerilla group Saiqa in which he emphasised that there is no solution to the Lebanese crisis outside the Syrian initiative.

Observers here said the decision by President Hafez Assad to extend the mandate of UN forces in the Golan Heights for six more months has left Syria free to deal with the Lebanese situation from a military standpoint.

The speculation about a bigger Syrian military involvement was linked to a meeting in Damascus yesterday by top military officers under President Assad, who is the commander in chief of the armed forces. The meeting was attended by Major General Mustafa Tlas, the Defence Minister, Vice-Air Marshal Naji Jamil, the Commander of the Air Force, and Major General Hikmat Chehabi, the chief of staff. Present also was Mr. Assem Mansou, the leader of the pro-Syrian faction of the Baath Party in Lebanon.

A delegation of Lebanon's Christian Phalangist party is due in Damascus tomorrow for additional talks. The Phalangists, like the rest of the right wingers, have been backing the Syrian initiative here.

More overseas news, Page 20

According to the most informed estimates, there are now 17,000 troops in Lebanon controlled by Syria. These include Saiqa forces, units of the Palestine Liberation Army, and Syrian regulars stationed several miles inside Lebanese territory near the eastern border.

Palestinian commando and left-wing leaders have held a joint meeting here to review the situation. The Palestinian news agency, WAFA, said there was a conspiracy to invite outside intervention in Lebanon. It said the guerilla movement was opposed to such meddling and believed law and order here should be re-established through a purely Lebanese formula.

The fighting and shelling in the Beirut area died down to-day after two days of heavy clashes which claimed the lives of 250 people in the past 48 hours.

President-elect Elias Sarkis, who exerted tremendous efforts to calm the situation, was reported to have warned that if the escalation continued, Lebanon would be occupied by outside forces.

Meanwhile, Mr. Mohsin said in an interview published here today that only through the Syrian initiative can the Lebanese crisis be solved. He told the pro-Damascus daily Al Shard that Syria remained "committed" to the fulfilment of its initiative.

The initiative provided for the fulfilment of certain political reforms under which Moslems and Christians would share executive and legislative powers equally, while Damascus would guarantee that the "Cairo agreement" between Lebanon and the Palestinian guerillas would be enforced in letter and spirit.

France, U.S. 'proposing economic summit'

WASHINGTON, May 31.

THE U.S. and France were reported to-day to have proposed that a second economic summit meeting should be held this summer in the Caribbean to follow up last year's Rambouillet conference.

The White House and the State Department said that they had "nothing to announce" about the plan this morning, but in Paris a spokesman said that "discussions are under way to see if the Rambouillet meeting should be followed up" and in Bonn a spokesman said that West Germany is now considering a Franco-American summit proposal.

According to White House sources the summit was discussed by the French and American Presidents when they met there earlier this month and would probably take place in August, just before the Republican convention which will decide if Mr. Ford is to be the party's Presidential candidate in November.

Such timing would no doubt appeal to Mr. Ford who would then have the opportunity to cast himself as a world leader but ed by the current economic upturn, in marked contrast to Mr. Ronald Reagan's alleged lack of international experience. He could, however, also leave himself open to the charge that to press for a summit so close to the convention smacks of opportunism.

President Giscard d'Estaing called the first western economic summit meeting at Rambouillet last year inviting leaders from the United States, West Germany, Britain and Japan. Italy joined the talks in its capacity as president of the EEC Council of Ministers.

The week-end of meetings resulted in a pledge to work together for greater economic and financial stability and the six leaders also promised to intensify their co-operation on economic problems within existing international organisations.

NUCLEAR REACTORS FOR S. AFRICA

Major row brewing in Netherlands

BY MICHAEL VAN OS

THERE WAS still considerable confusion in political circles to-day after the surprise announcement over the week-end that the £570m South African Nuclear power plant contract has gone to a French consortium.

It was confirmed that until "very recently" the U.S./Dutch/Swiss consortium led by General Electric of the U.S. had been the so-called preferred tenderer. The Dutch cabinet was still holding a special meeting on the situation this afternoon, and a special debate may be held in parliament, possibly tomorrow, at the request of the chief opposition party which has called for the resignation of the government over its handling of the affair.

The confusion here was fuelled by statements made to-day by the Dutch participants in the consortium and the South African ambassador here that the government must have been aware of the deadline for the grant of the credit guarantee for the order which was apparently last Friday. The government had also been warned that the order might be going elsewhere if the deadline was not met.

Last Tuesday, the cabinet, which was unable to reach a decision itself over the grant of the credit guarantee, agreed in a compromise to send a state secretary to Washington to sound out the U.S. position on the South African order—partly in the light of the U.S.'s apparent new Africa policy announced recently by Dr Kissinger.

Dutch newspapers, some of them briefly critical said tonight that the government had been saved by the South African decision as it had not been able to take one itself without the near certainty of a cabinet crisis. But one paper speculated that the delaying action of sending a state secretary to the U.S. to-day had been engineered to achieve just that. Another accused Prime Minister's Joop Den Uyl's government of seriously damaging Holland's reputation as a trading partner.

In the meantime economics minister Mr Ruud Lubbers, a Christian Democrat backing the deal, is said to be reviewing his own position in the cabinet following what is considered a considerable loss of face for him.

At a joint press conference here today, the dutch participants in the consortium blamed the government for the loss of the order and demanded compensation. They said in a statement that "the credibility of the dutch government and dutch industry as partner in co-operative agreements had been damaged to such a degree that loss for the employment caused by the loss of the current order would be multiple in the near future."

Socialist Finance Minister Dr. Willem Duisenberg, who was understood to be backing the South African transaction, has rejected the industry criticisms. He said in a comment he could not believe that that deadline for the important order for project taking several years to complete could not be extended by a little while.

Rupert Cornwell, in Paris, reports: France's unexpected success has again underlined how its ruthlessly pragmatic attitude to such sales can pay off—and how few real domestic obstacles stand in its way.

In contrast to the bitter opposition in both Holland and the U.S., the government here has had a very smooth ride. The Left has so far launched no telling attack, while Ministers and industry have dwelt at length on the benefits the deal will bring to both employment and the balance of payments at home.

The most virulent criticism has come from the Communists and the extreme Left, but the Socialist Party has merely described as "surprising" the decision to sell to an apartheid regime technology which can only hasten the day when South Africa possesses nuclear weapons.

On the face of it, the biggest risk to France is a loss of support from its African allies, whose relations with Pretoria are after a brief thaw last year again very strained in the wake of the war in Angola.

This support has been a major factor in France's campaign to portray itself as a mediator in the ongoing dialogue between rich and poor nations to achieve a fairer redistribution of the world's wealth.

However, there has so far been no public sign of disapproval from any former African colony, and it is believed that President Giscard d'Estaing cleared the deal in advance on the sidelines of this month's Franco-African summit, here.

In any case France's standing has not been visibly weakened by its large deliveries of arms in the past to South Africa, including Mirage jets, helicopters, missiles and submarines.

France's 'reliability' clinched the deal

BY GRAHAM HATTON

JOHANNESBURG, May 31.

FRANCE won the Koebergs nuclear power contract because it has proved in the past to be a reliable supplier of strategic materials. It had never allowed political considerations to stand in the way of expanding trade. This was the view of informed political sources who stressed to-day that the French victory in the tender was due as much to France's "realistic" foreign policy towards South Africa as to French technological and commercial skill.

The ability of the French contractors to guarantee the fuel supply was said to carry particular convictions because of the French Government's attitude to the supply of military equipment to South Africa in recent years.

The sources point out, however, that the political debate over the contract has been largely irrelevant to South Africa who, through its own uranium enrichment process, will be able to make atomic bombs anyway irrespective of the nuclear power station.

Neither France nor South Africa have signed the nuclear non-proliferation treaty.

The French consortium virtually won the lucrative contract by default. The American-Dutch-Swiss consortium had the contract on the cards until this storm blew up. An Escom spokesman confirmed that negotiations with this group were finally broken off on May 21 because the companies concerned were unable to obtain guarantees of political non-intervention from their governments.

Although the General Electric-led consortium failed to win the contract America will nonetheless be providing the basic feedstock for the two reactors. A contract was signed with the American enrichment authorities early last year for the supply of enriched uranium which will be turned into fuel elements. There will be enough for an initial charge and five reloads for the two reactors.

The final conversion will be carried out by the Franco-Belgium Fuel Company.

South Africa already has the technology to produce enriched uranium but production facilities will not have come on stream in time to serve the Koebergs power station in its early operations.

Italian incomes policy call

BY ANTHONY ROBINSON

ROME, May 31.

GOVERNOR of the Bank of Italy, Sig. Paulo Baffi, to-day called for an effective incomes policy on similar lines to that now practised in the U.K. and tight controls over the increase in public expenditure as the principal instruments of getting Italy out of what he likened to a "siege economy."

Addressing the Central Bank's annual assembly for the first time as governor, Sig. Baffi underlined the extremely narrow margin of manoeuvre left to the Central Bank in the presence of high labour costs linked to widespread inflation indexing, a massive expansion of state deficit financing, political uncertainty, heavy foreign indebtedness and scarce reserves.

But he went out of his way to assert the Central Bank's autonomy and its principal role as defender of the currency. He was strongly critical of the Treasury and the increase in the public sector deficit. He pointed out that in October the Treasury estimated the 1975 deficit at L11,000bn, whereas it turned out in fact to be L14,200bn.

Treasury cash needs in the last quarter alone at L5,400bn. was L3,200bn. above the estimate.

Latest unofficial estimates took the likely 1977 Treasury deficit on current trends at no less than L25,000bn., nearly double the L13,400bn. forecast for 1976. In the Bank of Italy's view, the economy will be completely unmanageable if the deficit continues to increase in this way. It already amounts to six per cent of the net national income and absorbs one-third of household savings.

Sig. Baffi referred several times to the U.K. as an example of a country which had been able to reduce inflation by a form of incomes policy. In Italy's case the inflation problem was compounded both by the fact that oil imports represent 3.8 per cent of the GNP as against 1.8 per cent which is the OECD average, and by widespread indexing of wages and salaries to prices.

Rhodesia Front warns on discrimination move

BY TONY HAWKINS

SALISBURY, May 31.

MR. DES Frost, powerful chairman of Mr. Ian Smith's ruling Rhodesian Front Party, warned to-night that the removal of all racial discrimination in Rhodesia "would lead to tremendous friction and the destruction of the country." Mr. Frost issued a statement to-night following the week-end call by the opposition Rhodesia party for the removal of all race discrimination and last week's launch of the "national pledge" campaign which aims to secure majority support from White Rhodesians for the abolition of racial discrimination.

Mr. Frost's statement is significant too because it comes at a time when the Rhodesian Front Cabinet is considering the report of the Commission of Inquiry into Racial Discrimination. The report is due to be published sometime in June and no details have been released of its recommendations. But it is known to have been an unanimous report and there has been speculation here that some of its recommendations might be unpalatable to the ruling party.

Mr. Frost described as "amazing" the Rhodesia Party's theory that racial discrimination was responsible for terrorism within Rhodesia. "I am satisfied that our electorate will not allow themselves to be fooled by such ludicrous mouthings," he said.

The Rhodesian Front believed that forced social mixing of the different races led to "unnecessary hostility and friction" whereas "a measure of separation with greater mutual respect between the races leads to peaceful co-existence."

Mr. Frost's statement will harden the feeling in political circles here that the Government is unlikely to take radical steps to remove racial discrimination as a result of the commission report. It will also increase speculation about disagreement within the front over the Commission's recommendations.

UPI adds: Rhodesian security forces have killed 29 black insurgents in "search and destroy" operations in the country's southern and eastern fighting areas in the last three days, according to defence force figures.

Skirmishes between Rhodesian troops and Nationalist guerillas operating from neighbouring Mozambique have escalated this month to claim the highest number of lives yet lost in the three-year-old war. Eighteen Rhodesian troops were killed during May. The guerilla forces, estimated to number more than 1,000 inside Rhodesia, have lost 104 men.

Timor asks to join Indonesia

AN assembly set up by the pro-Indonesian provisional government of Portuguese Timor decided to-day to petition Indonesia to absorb the territory formally, writes Hamish Macdonald in Dili. The "people's representative council" came to a unanimous decision in one hour 20 minutes, as thousands of townsfolk paraded outside.

Yet despite weeks of planning by officials to satisfy international calls for a genuine act of self-determination in East Timor, to-day events seem to have gone awry for Indonesia. Among the embarrassing vacant seats among the ambassadors were those of the U.S., Japan, Australia, the Philippines, Singapore and Papua New Guinea. The non-attendance of the two Asean partners, the two Pacific neighbours and the two major trading and political allies is a severe embarrassment for Jakarta as it moves to incorporate the territory. All of these countries try to be sympathetic to Indonesian aims on Timor.

Sri Lanka rupee

Sri Lanka's Central Bank has announced that the Sri Lanka Rupee has been delinked from sterling and was tied up to "appropriately weighted basket of currencies," effective from May 24. The bank's announcement which came after markets and business had closed for the week was not unexpected in business circles as Finance Minister Felix Bandaranaike had earlier told parliament that the authorities were watching the deterioration of sterling in the international markets closely, reports AP-DJ from Colombo.

India constitution

In a last minute change India's ruling Congress Party has decided to inscribe in the country's constitution "fundamental duties and obligations that citizens owe to the nation." Some of the main changes recommended, writes K. K. Sharma in New Delhi, are inclusion of the words "secular socialist" in the preamble to the constitution which will now describe the country as a "sovereign democratic secular socialist republic." Other changes will ensure that the courts are not allowed to question constitutional changes made by Parliament, the supremacy of which as reflecting the peoples will has been made the kingpin of the changes.

IMF credit

The International Monetary Fund has given credit to Cyprus amounting to $40m. during the past five months to help the financing of various development projects, Finance Minister Mr. Andreas Patsalides has said, our Nicosia correspondent reports. He told a meeting of the Famagusta Chamber of Commerce that this showed international finance organisations entertained confidence in the Cyprus economy. He did not disclose the projects to be financed by the IMF loans.

R. J. Reynolds sacks three top men over payoffs

BY JAY PALMER

NEW YORK, May 31.

R. J. Reynolds, the large U.S. tobacco conglomerate and the would-be buyer of Burmah Oil's U.S. assets, has sacked three top executives for making questionable overseas payoffs and using corporate funds to make illegal domestic political-campaign contributions.

The company, which made a detailed disclosure to the Securities and Exchange Commission, said that between 1968 and 1973 between $65,000 and $90,000 had been paid out in totally illegal domestic political contributions by means of "off-book" accounting. About $100,000 had been paid off overseas and, in addition, some illegal rebates had been made to shippers.

Reynolds is America's largest tobacco company with sales last year totalling $4.5bn. It manufactures such cigarette brand-leaders as Winston, Salem and More. While tobacco accounts for the largest slice of its business, it is also involved in shipping container operations, oil exploration and refining, food and packaging.

The three executives who "resigned under pressure" were Mr. David S. Peoples and Mr. William S. Smith, both vice-chairmen, and Mr. Charles Wade, a senior vice-president. The company said that the three men will be temporarily retained as advisers in lower level positions at reduced salaries.

Although more than 100 U.S. companies have disclosed making questionable payments overseas, only a very few have actually sacked executives and in those cases (Gulf, Lockheed and 3-M) the amounts involved were very much larger. In this case the drastic dismissals almost certainly reflect the making of illegal domestic payments rather than the overseas ones.

Romania-USSR tension denied

By Paul Lendvai

VIENNA, May 31.

A ROMANIAN diplomatic source emphatically denied here to-day rumours circulating in Vienna and Budapest about acute tensions on the Romanian-Soviet border, a massive call-up of reservists and panic hoarding in some parts of Romania. He confirmed merely that what he described as "routine army manoeuvres"—held at this time each year—were going on, with the participation of some reservists.

The rumours were completely without foundation, he said. Reports alleging that a Soviet aircraft was recently shot down after violating Romanian air space were nonsense, he added.

What may have set off such speculation was the fact that a Romanian military aircraft crashed at a recent air show.

LABOUR NEWS

Fleet St. to seek EEC aid for new technology

BY ROY ROGERS, LABOUR CORRESPONDENT

FLEET STREET employers and union leaders are to seek substantial assistance from the EEC's European Social Fund to help the financing of a costly technological revolution, which promises to transform the national newspaper industry over the next few years.

The issue of possible EEC finance will be considered by a joint standing committee, set up last week, which consists of managing directors, print union general secretaries and representatives from the TUC and Newspaper Publishers' Association.

The committee will then go on to draw up guidelines for introducing new computer-based technology, seen by most Fleet Street managements and unions as the only real hope of the industry returning to long-term profitability.

Before then, however, the printing unions have to accept the recommendations of three joint working parties.

For the past few weeks, these groups have been discussing issues thrown up by the proposed technological revolution which will inevitably mean a substantial reduction in manning levels. These include compensation terms for members volunteering for redundancy—compulsory redundancy already having been ruled out—improved pensions arrangements and moves to "decasualise" the industry.

Joint management-union working parties have completed proposals on the first two items which will be considered soon by union executives. Decasualisation plans are taking a little longer, but are understood to be making reasonable progress.

Thorny subjects

Only when the three working parties have successfully concluded their work, will the joint standing committee be able to tackle its main task of agreeing a code for introducing new technology, covering such thorny subjects as manning levels and traditional demarcation lines.

Pending negotiation of these general guidelines, local talks on many ambitious plans of the various national newspapers are either marking time, or making only slow progress.

Papers which have already announced major technological development plans include the Financial Times, Daily Mirror, Daily Express and Daily Telegraph. Last week they were joined by Times Newspapers, which declared its intention of going over to a computerised photocomposition system.

But Mr. M. J. "Duke" Hussey, managing director and chief executive, made it clear that negotiations on the proposals would take place "within the framework and the spirit" of joint agreements reached between the Newspaper Publishers Association and printing unions nationally.

A renewed pledge of no compulsory redundancies and a declaration that the proposed changes would be phased in over several years ensured a fairly sympathetic hearing for the plans from union leaders.

New jobs safeguards become law to-day

By Our Labour Correspondent

MOST provisions of the Employment Protection Act giving individual rights come into force to-day.

These include the right to return to work after maternity absence; protection for dismissal because of pregnancy; trade union membership and activities; time off to look for work for those being made redundant; and medical suspension.

In addition, there are improved remedies for unfair dismissal and improvements in the provisions of the Redundancy Payments Act and the Contracts of Employment Act.

Dismissal because of pregnancy or reasons connected with it will in future be treated as unfair dismissal. Maternity pay provisions will not, however, come into force until April 6, 1977, to allow time for a Maternity Pay Fund to be set up.

From to-day, employees will have the right not to be penalised by employers for trade union membership or activities. And employers will not be able to compel them to join non-independent trade unions.

Improvements

Those given notice of dismissal because of redundancy, if employed for two years or more, will be entitled to reasonable time off with pay to look for work or to arrange training for future work.

Employees suspended from work on medical grounds will be entitled to a week's pay for every week of suspension up to a maximum of 26 weeks.

Improved remedies for unfair dismissal include greater emphasis on attempting to obtain re-instatement or re-engagement; further compensation provisions; a procedure for interim hearings by industrial tribunals in cases of unfair dismissal because of union membership or activities.

Changes to the Redundancy Payments Act concern rights to redundancy pay where previously an employee might have lost or forfeited these; introduction of the concept of "constructive dismissal"; amendment of the definition "associated employer"; and a provision that offers of alternative employment need not be written.

Improvements to the Contracts of Employment Act provide for better minimum periods of notice and for additional information to be included in the statements of terms of employment.

Yorkshire mine leaders 'confident' of No vote

By Our Labour Staff

LEFT-WING leaders of Yorkshire miners say they are now confident that their coalfield, the biggest in Britain, will reject the Government-TUC pay policy in the pithead ballot which ends this week.

They point to unofficial indications that many of the militant pits are voting between 60 and 70 per cent. against the wage policy.

But they are conscious that only a very heavy defeat for the policy andfor the National Union of Mineworkers national eecutive —in Yorkshre wil be able to swing the balance nationaly.

Before voting started last month Yorkshire NUM leaders were forecasting a 55 per cent. no vote in their area. They estimated that they would need at least a 65 pe rcent. vote to be able to counter moderate voting in other areas.

In last year's pit-head ballot, in which miners voted three to two for the present £6 a week policy, Yorkshire miners defied the wishes of their local leaders by coming out 51 per cent. in favour of the Government-TUC agreement.

A tough union test ahead for pay pact

BY CHRISTIAN TYLER IN SCARBOROUGH

THE GOVERNMENT-TUC bargain on the next phase of pay restraint will be given a rough ride this week by the biggest building union.

Yesterday, on the first day of the conference in Scarborough of the Union of Construction, Allied Trades and Technicians, delegates refused to let a special report from their national executive backing the £2.50 to £4.00 pay limit stand as the principal resolution for their debate on the economy.

This is seen as a sign that the union, with 278,000 members, could be the first big manual one to decide to vote against the guidelines at a special TUC meeting in two weeks' time.

So far, only the white-collar Association of Scientific, Technical and Managerial Staffs and a number of smaller unions have made decisions to reject the deal.

However, leaders of the construction workers were hoping yesterday that Mr. Len Murray, TUC general secretary, will bring forward to this afternoon his visit to the conference and damp down the strong tide running against the national executive's line.

Yesterday's vote on the special report came after Left-wing complaints that they would be denied right of reply if hostile resolutions were demoted to become amendments to the report. The form of Thursday's debate has to be decided.

The construction union voted against the current £6 at last September's TUC meeting but fell into line with the majority verdict and accepted a £6 increase to be paid at the end of this month.

The conference will debate—probably to-day—demands dating from the last conference two years ago for big increases in the basic hourly rate.

Threat to pay deal warning

THE Government-TUC pay deal will be threatened if an increase in the price of essential food, consumer goods or rents brought about by relaxation of price controls is not met by further government subsidies, Mr. John Boyd, the engineering union general secretary warned to-day.

Writing in his union journal Mr. Boyd, a staunch Labour Party supporter, says that some relaxation of the price code may be necessary to help company's increase investment levels.

If the Government was convinced that employers had not been involved in a deliberate "investment strike and that some financial easement was necessary" than a controlled revision of prices should be agreed provided the increased profit is wholly redirected into further investment.

White-collar support for devolution

By David Churchill, Labour Staff

QUALIFIED SUPPORT for the Government's devolution proposals has come from the biggest white-collar union, the 540,000-member National and Local Government Officers Association.

In a policy document put forward by NALGO's national executive for debate at the union's annual conference next week in Eastbourne, NALGO says the Government should reconsider its devolution plans for Wales but go ahead with Scottish devolution.

NALGO believes that Wales is too administratively involved with England for separate devolution to take place. Instead, it argues that Welsh devolution should form part of a radical re-think of the structure of Government in England.

The union favours a reduction in central government with a corresponding increase in powers for local authorities, together with a reassessment of the control and organisation of public services. Specifically, it would like to see England divided into ten regions with Wales as an eleventh region within the same structure.

For Scotland, the policy document also argues that it should be given more powers under the devolution proposals, especially on economic issues. In addition, a separate and independent Civil Service for Scotland should be immediately established.

NALGO is one of the few TUC unions to put forward comments on devolution and it is especially concerned that the issue does not become just "cosmetic" for political purposes but a "preliminary step to a genuine and substantial decentralisation of Government."

No lay-offs

TALKS between executives of Cammell Laird Shipbuilders, Birkenhead, and national officers of the Boilermakers Amalgamation, have produced an agreement that no more men will be laid off at the Birkenhead yard pending further talks this week at local level.

Ninety-five scaffolders have been on strike at the yard for four weeks in a dispute over payment of "dirt money" for a specific job. About 400 boilermakers were laid off a week ago.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
June 4—12	Ideal Homes and Trades Exhibition	Wolverhampton
June 7—11	World Gas Exhibition and Conference	Royal Festival Hall
June 8—10	International Print Fair	Cunard Int. Hotel, W.6
June 8—11	Italian Furnishing Accessories Exhibition	Italian Trade Centre, W.1
June 8—11	Communications Equipment and Systems Exbn.	Metropole Centre, Brighton
June 8—12	Caxton Quincentenary Exhibition	*Olympia*
June 9—10	EIA Engineering Exhibition	London Heathrow Airport
June 14—17	Int. Hospital Equipment and Health Services Exbn.	Nat. Exbn. Centre, B'ham
June 17—24	Int. Laundry, Cleaning Equipment Exhibition	Nat. Exbn. Centre, B'ham
June 22—25	*Royal Highland Show*	*Edinburgh*
June 28—July 2...	American Furniture and Furnishing Exbn.	U.S. Trade Center, W.1
July 1—4	Caravan and Leisure World '76	Blackpool

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Fair (cl. June 2)	Padua
Current	International Furniture Fair (cl. June 3)	Bari
To-day	World Railways Engineering Ex. (cl. June 5)	Basle
June 6—13	International Marble Fair	Thessalonika
June 6—17	International Fair	Poznan
June 7—12	International Timber Fair	Ljubljana
June 7—12	International Shipping Exhibition	Piraeus, Greece
June 10—17	Electrical Equipment Exhibition	Paris
June 15—19	Int. Mechanical Handling Exhibition	Tokyo
June 15—19	*Marine Research and Exploitation Exhibition*	*Dusseldorf*
June 20—26	Chemical Engineering Exhibition	Frankfurt
June 20—26	Int. Plastics and Rubber Exhibition	Milan
June 22—26	International Diecasting Exbn.	Basle
June 22—26	International Wire Exhibition	Basle
June 23—July 4...	International Home Fair	Naples

BUSINESS AND MANAGEMENT CONFERENCES

June 3—4	Financial Times, Bank of Greece, Olympic Airways, Investors Chronicle: Doing Business with Greece	Athens Hilton
June 3—4	ESC: Anti-Trust Laws and Licensing	Cannes
June 4	Inst. of Work Study: Government Training Grants	City University, E.C.1
June 7—8	Strategic Management: Creativity and Innovation	Stratford-upon-Avon
June 7—9	Financial Times, Al-Akhbar, Egypt-Air: The Middle East Development Conference, Egypt the Next Five Years	Cairo
June 7—11	Matchett Training: Creative Design Engineering	Birmingham Centre Hotel
June 8	Henley: Forecasts for Common Market Countries	Carlton Tower Htl., S.W.1
June 8	Compen: *Ind. Democracy: Worker Participation*	*Co. Enterprises (NI), Belfast*
June 8—11	Urwick: Management Information Systems	Urwick Centre, Slough
June 9	Marylebone: Recycling from Waste Materials	Bowden Hotel, Manchester
June 9	CBMPE: Offshore (North Sea) Activities	Cafe Royal, W.1
June 14—16	LCCI: Saudi Arabia and the Gulf States	Farnham Castle, Surrey
June 16—17	Institute of Marketing: Tactical Marketing	London Gloucester Hotel
June 17	WTI: Standardization of Export Documentation	World Trade Centre, E.1
June 18	ICFC: Capital Transfer Tax and Private Business	Albany Hotel, Birmingham
June 21	Canning House: Seminar on Brazil	Hilton Hotel, W.1
June 21—24	IPE: Training & Career Development for Engineers	Cambridge
June 21—25	P-E Cons.: Grp.: Problem Analysis & Decision-Mkg.	Training Centre, Egham
June 22	IPC: European Freight Transport	Cafe Royal, W.1
June 22—23	Lenorfern: Exposing the Export Myth	Greenwood Centre, E.C.3.
June 23	Hull C.C.: Develop. & Inv. Opportunities in Hull	Connaught Rooms, W.C.2
June 24—25	PCL: Public Spending and British Industry	London Polytechnic, W.1
June 25	Guardian: Contracts, Dismissals and Redundancy	Park Court Hotel, W.2
June 25	Oyez: Tax Consequences of Property Transactions	Royal Lancaster Htl., W.2
June 28—30	*Financial Times, The Voice of the Nation, Thai Airways International: Asian Business Briefing*	*Indra Regent Hotel, Bangkok*
June 28—29	Bradford Univ.: Industrial Marketing Planning	Novotel, Bradford
June 28—July 2...	Kepner-Tregoe: Decision Making for Senior Man.	Bournemouth
June 29	Assoc. Certified Accountants: Tax Planning	*Bonnington Hotel*, W.C.1
June 29	InComTec: Dismissal Law and Practice	Hilton Hotel, W.1
June 29—30	Imp. College: Distribution Management Science	Imperial College, S.W.7
June 30	BIM: Legal Protection for Employees	Bramhope, Nr. Leeds

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are usually for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

YESTERDAY

DIVIDEND & INTEREST PAYMENTS—

[illegible]

TO-DAY

COMPANY MEETINGS—

[illegible]

BOARD MEETINGS—

Finals: [illegible]

DIVIDEND & INTEREST PAYMENTS—

[illegible]

Durham County Water 5½pc 2¼pc
East Africa High Commission 5½pc 2¾pc
Edinburgh Dundee Db. 4¼pc
Edinburgh Db. 2½, 5½pc
Electricity Supply 10pcPrm. 5pc
Ellis Goldstein 6pcPrf.Pf. 3.5pc
Emsley (John) 4½pcPf. 1.575pc
English China Clays Ln. 3½, 3¾pc
English Electric Db. 80-85 3pc
Exchequer Stk. 6pc 80-85 3pc
Fleming (Robert) Invest. Tst. Deb. 2pc

[illegible]

Tate and Lyle Db. 2¾pc, 2¼pc
Teacher (Distillers) Ln. 3½pc
Trans Oceanic Trust Dbs. 1¾, 2, 2½, 2½ (69-79), 2½ (80-85), 3pc
Trans Union 40cts.
Trinidad Tobago 8¼pc 4⅛pc
Trust Houses Forte Ln 2¾pc
Trustees 4½pcPf. 1.575pc
Walsall 6½pcRed. 1977-79 3¼pc
War Ln. 3½pc 1¾pc
Warble (Bernard) 5pcPf. 1.75pc
Watney Mann Truman Dbs. 2½, 2¾, 3¼, 3½, 3½pc

[illegible]

TO-MORROW

COMPANY MEETINGS—

[illegible]

BOARD MEETINGS—

[illegible]

DIVIDEND & INTEREST PAYMENTS—

[illegible]

THURSDAY, JUNE 3

COMPANY MEETINGS—

[illegible]

BOARD MEETINGS—

Finals:
Bilton (Percy)
Bright (John)
Brown Shipley
Buckley's Brewery
Century Oils
Churchbury Estates
Oceana Development Invest. Trust
Pivso
Whiteley (B. S. and W.)
Young and Co's. Brewery
Interims:
Hickson and Welch
Jessups
Sungei Bahru Rubber Estates

DIVIDEND & INTEREST PAYMENTS—
Blaby 11¼pc Bds. Red. 8/12/76, 5⅝pc
Bourne and Hollingsworth. 1.625p
Brentwood 11¼pc Bds. Red. 8/12/76. 5⅝pc
Campbell and Isherwood. 2.4p
Castle Point 11¼pc Bds. Red. 8/12/76. 5⅝pc
Chersonese (F.M.S.) Estates. 0.825p
Daventry 11¼pc Bds. Red. 8/12/76. 5⅝pc
Dudley 11¼pc Bds. Red. 8/12/76. 5⅝pc
Edinburgh 11¼pc Bds. Red. 8/12/76. 5⅝pc
Fareham 11¼pc Bds. Red. 8/12/76. 5⅝pc
Fisher (James). 1.303p
Guardian Royal Exchange. 4.77398p
Hampshire 11¼pc Bds. Red. 8/12/76. 5⅝pc
Haringey 11¼pc Bds. Red. 8/12/76. 5⅝pc

[illegible]

FRIDAY, JUNE 4

[illegible]

SATURDAY, JUNE 5

[illegible]

SUNDAY, JUNE 6

DIVIDEND & INTEREST PAYMENTS—

[illegible]
Cadbury Schweppes Ln.. 4½pc
Glynwed Db.. 3¼pc
Goodyear Tyre and Rubber (G.B.) 4pcPf. 1.4pc
Ladbroke Group Ln., 4pc (1990-92)
Mallinson (William) and Denny Mott Db.. 4¼pc
Westforth Elect. and Auto (Temp. Susp.) Ln.. 3⅝pc
Whitbread Db.. 1¾pc

COMPANY NOTICES

SOLVAY & Cie. Société Anonyme

Registered Office: 33, rue du Prince Albert, Ixelles (Brussels)
Commercial Register Brussels No. 5554

Shareholders are invited to attend the Ordinary General Meeting which will be held on Monday 14th June 1976 at 10 a.m. at the Head Office.

AGENDA

1. Reports of the Board of Directors, the College of Commissaires and the Commissaire-Reviseur on the operations of the financial year 1975.
2. Approval of the balance Sheet at 31st December 1975 and the Profit and Loss Account for the financial year 1975—Appropriation of the profits and determination of the dividend.
3. Ratification of the acts of the Directors and Commissaires during the abovementioned financial year.
4. Board of Directors—statutory appointments:
   a) Permanent election of Mr. Paul-Emmanuel Janssen, previously designated by the General Council to be Director in the place of Mr. Roger Janssen, deceased.
   b) Appointment of two Directors in the place of Mr. André Gansfort van der Meersch and Mr. Claude Loutrel, retiring and re-eligible.
5. College of Commissaires—Statutory appointments:
   a) Appointment of a Commissaire in the place of Mr. Jean-Pierre Feisenhart, retiring and re-eligible—Determination of the emoluments of this Commissaire.
   b) Appointment of a Commissaire-Reviseur in the place of Mr. Pierre van Mook, retiring and re-eligible—Determination of the emoluments of this Commissaire-Reviseur.
   c) Appointment of a deputy Commissaire-Reviseur in the place of Mr. Francis Robert, retiring and re-eligible.
6. Miscellaneous.

The Board of Directors wish to remind shareholders that their attendance at the meeting is subject, if they are holders of bearer shares, to the latter being temporarily lodged, and blocked, not later than Tuesday 8th June 1976, at the Head Office or with any of the following establishments:
—In Belgium:
Société Générale de Banque
Banque Bruxelles Lambert
Kredietbank
—In Germany:
Deutsche Bank
—In France:
Lazard Frères & Cie
Mutuelle Industrielle
—In Italy:
SPAFID
—In the Grand Duchy of Luxemburg:
Banque Générale du Luxembourg
—In the Netherlands:
Algemene Bank Nederland
—In the United Kingdom:
J. Henry Schroder Wagg & Co. Ltd.
—In Switzerland:
Credit Suisse.

The above-mentioned foreign banks have the option to appoint other establishments in their respective countries where Solvay shares may also be lodged in conformity with this requirement. The list of these establishments will be published in due course in each country.

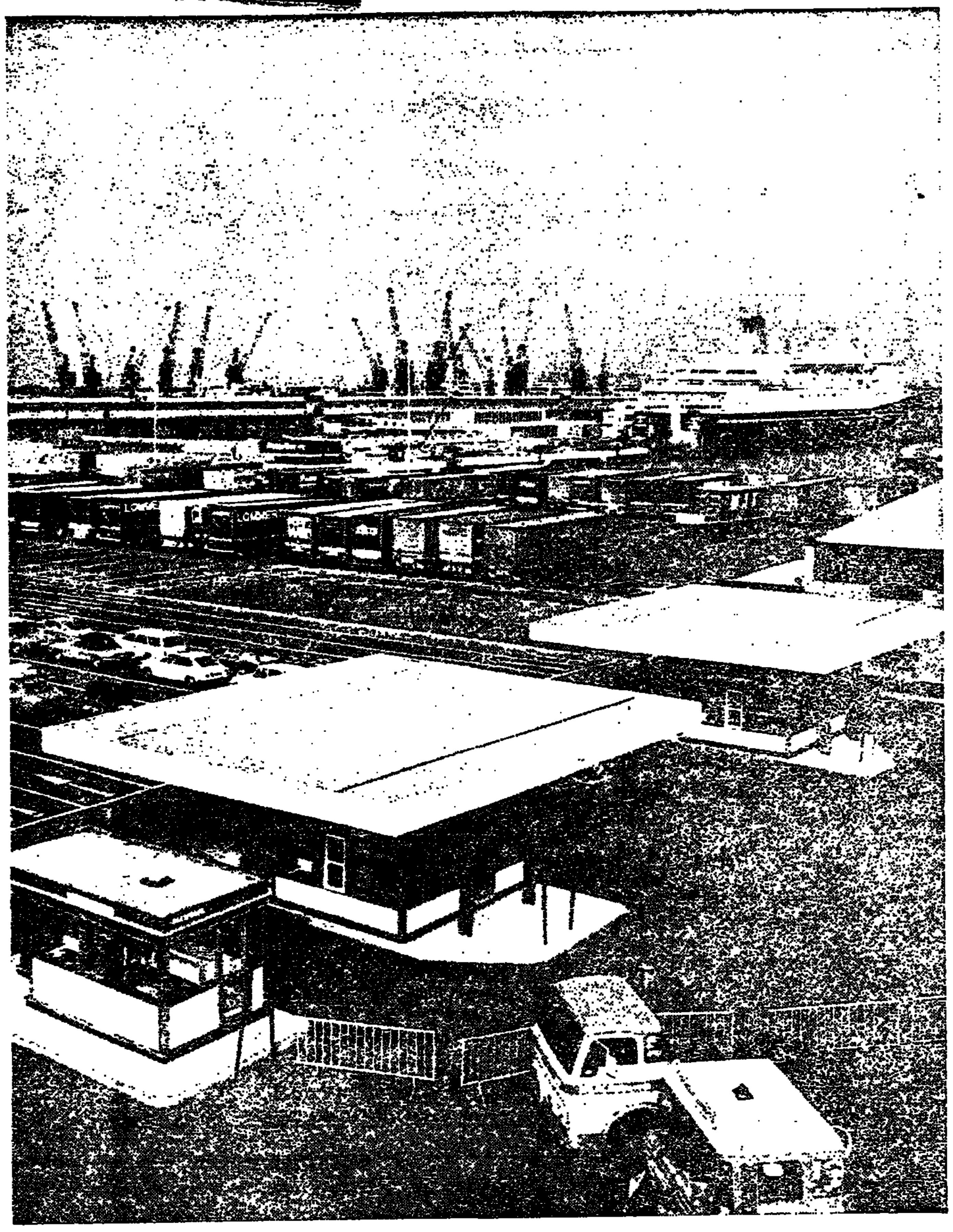
On the other hand, if the shares are personal, the shareholders ought to inform the Company in writing, not later than Tuesday 8th June 1976, of their intention to attend the meeting, indicating also the number of shares held.

According to Article 38 of the Articles of Association, proxies should arrive at the Head Office not later than Tuesday 8th June 1976.

The debenture holders who would wish to attend the meeting are asked to observe the same formalities as those prescribed to the shareholders (Art. 37 of the Articles of Association).

Ixelles-Brussels, 26th May 1976.
The Board of Directors


Bank of Ireland



Scots find new buyers for woollens

BY RHYS DAVID

The autumn range of co-ordinated clothing from Pringle, the biggest Scottish knitwear producer.

SCHOTTEN Schicken Schotten Chic: this crisp Teutonic tongue-twister has been the basis of a campaign mounted to bring home to the Germans the virtues of Scottish cloth by informing them that "the Scots send Scottish chic."

In a land which is already convinced of the merits of Scotland's other most famous product, it has proved an outstanding success over the past year. The members of the Scottish Woollen Publicity Council, who with the German branch of the International Wool Secretariat, have been behind the scheme, reckon to have increased sales in the German market in 1975 by no less than 70 per cent. at a time when textile producers around the world have been bewailing the lack of a market anywhere.

The Scottish woollen industry which manufactures high quality men's and women's wool tweed fabrics, worsted suitings and tartans, has itself felt the recession in most of its markets. Output last year was 12.4m. square metres, compared with the previous year's 13.85m. square metres, exports were 11 per cent. less, though still more than half total output.

Starting with a modest budget of £17,000 three years ago, the SWPC opened its campaign with retailers, later involved the makers-up, arranging visits to mills in Scotland at which trends and tastes in Germany were discussed, and returned last autumn to further retail promotion. The results have evidently paid for the effort involved: Scottish mills represent 5 per cent. of U.K. woollen and worsted output, but now account for nearly one quarter of U.K. cloth exports to Germany.

The recent performance of the Scottish woollen industry, and of the other main arm of Scotland's consumer textile industry — knitwear — represents something of a renaissance after a period marked by closures and by uncertainty over the direction in which the industry should go. The last few years have seen many of the smaller, weaker concerns close, bringing a reduction in the woollen labour force of around 1,000 since 1972 to the present level of 6,600. Among the remaining three dozen or so companies—mostly in the Borders around Selkirk and Galashiels but also spread throughout Scotland — moves have been taking place to rationalise facilities. Stimulated partly by the Government wool textile Industry Act aid scheme, investment has risen from 7.8 per cent. as a percentage of total assets in 1972 to 15 per cent. in 1975.

Bought back

As a result bigger groupings have emerged, an immediate example being Scottish Worsteds and Woollens. Some 15 years ago in an earlier attempt to build a more powerful group, some of the original units in the present SW and W were sold by the owners, the Ballantyne family, to Sir Hugh Fraser, who it was hoped would provide the necessary financial backing for re-organisation. In the event, the group was sold several years later to Wm. Baird, the commodities and textile group, and later bought back by one of the Ballantynes, Mr. Henry Ballantyne, the present chairman and managing director.

The company, with a turnover of around £6.5m. last year, has spent £2m. over the past three years on re-equipment and has also acquired other concerns to lessen its dependence on spinning and weaving. The aim, according to Mr. Ballantyne, has been to build up a broad-based Scottish textiles group, and with this in mind the company has extended into knitwear, with the acquisition of the Gladstone company, specialising in top-quality wool and cashmere garments, and into furnishing fabrics with the purchase of British Replin, suppliers of much of the seat fabric used by British Caledonian, Aer Lingus, and British Airways North East. In addition, the company, which exported one-third of its output in 1975, has secured a further outlet for its goods through the acquisition of Highland Home Industries, a 13-strong chain of craft shops spread throughout the Highlands and islands, and in Edinburgh and Aberdeen.

Investment has been aimed partly at re-equipment, but also at securing a more rational manufacturing set-up. As in Yorkshire, the main U.K. wool textile centre, it has become less economic for individual companies within a group to do their own spinning, weaving and finishing. SW and W is now concentrating different activities in different group units.

A similar programme of investment is also under way at another of the bigger mills, Edward Gardiner of Selkirk, which is 50 per cent. owned by the Lancashire-based Tootal group.

There is also substantial Yorkshire involvement in the Scottish industry, though as a result of the strengthening of Scottish controlled companies there is now less likelihood that the Borders will become dependent on Yorkshire.

Both the two big Yorkshire groups have substantial stakes in Scotland, however. Illingworth Morris owns Crombie at Aberdeen, which is currently completing a major overcoat cloth order from the Soviet Union, and Allied Textiles controls Reid and Taylor, which specialises in exclusive worsted suiting incorporating, as well as the best wool and cashmere, other exotic materials such as mink or chinchilla.

At Edward Gardiner, where £1m. has been spent to give the group independent spinning capacity, efforts are also being made to lessen dependence on the women's wear trade and to build up further overseas markets to compensate for the decline in the U.K. Sales of woollen cloth for women's suits and coats have been seriously hit in two ways in recent years: Italian producers have flooded the U.K. market with low-priced cloth leading to the closure of a number of Yorkshire concerns; furthermore, according to Mr. Colin Brown, Gardiner's managing director, there has been a major switch by U.K. women's wear concerns from manufacturing to importing.

"Our traditional customer—middle to upper income earners have seen their spending power reduced in recent years and are no longer buying. Yet we need a strong U.K. sales base if we are to achieve economic production runs," Brown states. The dilemma for the industry is that a reduction in quality might increase U.K. sales, but would not be acceptable to buyers on the Continent, yet to make two different types of cloth for U.K. and overseas would again make little sense economically.

A similar problem is also being faced in the Borders knitwear industry, which is again dependent for sales of lambswool and cashmere garments to the better-off. In the recent past, however, there has also been another topic of interest. A lot of attention has been focused on Pringle for signs whether Dawson International, its parent, could solve the problems which badly shook the biggest knitwear name in 1974 and 1975.

Other functions

The company has been badly affected by the recession and by what appears to have been too much emphasis on marketing at the expense of other management functions, including production and financial control. Last year Pringle cut back production from 45,000 to 25,000 garments per week, and staff was reduced from 2,300 to 1,600 in a bid to bring the operation back under control. A wholesale shake-up in management also took place with Mr. Bill McEwan, managing director of the Dawson's small but successful luxury cashmere sweater company, Ballantyne Sportswear, brought in to steer the company back to financial health.

Increased demand for knitwear in export markets and in tourist centres such as Edinburgh and London is also benefiting other Borders knitwear concerns such as Lyle and Scott, Peter Scott, Hawick Hosiery, and Jaeger.

Probably the biggest investment in the area in recent years, however, has come from another Dawson company, Barrie Knitwear which regardless of the sensibilities of its bigger brother, Pringle, is ambitious of becoming the best-known name in Scottish knitwear. The company has recently moved into a new factory in Hawick and is currently producing 7,000 items a week.

Attitudes to selling within the Scottish textile industry have clearly changed since the days when, according to the story, one company sacked its agent because it thought he was selling too much and making too much money.

The Executive's and Office World

EDITED BY JOHN ELLIOTT

Flexible working hours and sabbaticals are popular valuable fringe benefits according to latest surveys

Gains on the fringe

FLEXIBLE WORKING hours are the fastest growing fringe benefit offered by a company to its office workers according to a new survey which also forecasts that Government pay policies are likely to make fringe benefits in general more important.

The survey, covering benefits for office staff, has been carried out by the Alfred Marks Bureau, the employment service group. It suggests that companies are likely to find that an increasing part of the total cost of fringe benefits will be accounted for in the future by office staff because women, who represent a large proportion of office employees, now have legal rights to equal pay and opportunities.

In all, 269 companies were included in the survey. They were largely concentrated in London and the South-East, but many of them had branches, offices and factories in other areas. It is estimated that they employed about 900,000 people and answers to questionnaires were directly related to employers of some 350,000 people, of which about 80,000 were office staff. A large proportion of the companies represented commercial services — insurance companies, banks, building societies, import/export merchants and brokers — while manufacturing was represented by 35 per cent. of the sample.

Pensions

The most widespread benefit found was pensions. Of participating organisations, 96 per cent. operated a scheme, with 121 of them having amended their policy as a result of recent legislation. These included 14 which introduced a widow's pension and two which improved existing widows' pensions. Eight had reduced the entry age and qualifications for pension and seven had made final pension subject to regular cost-of-living escalation. Five had brought women into a pension scheme for the first time.

The "fastest growing of all fringe benefits" was flexible working hours, says the survey. Of the sample, 73—27 per cent. —were running some type of flexible hours system and another 16 were contemplating the introduction of the system in the near future. There was a heavy bias towards companies in London and the South-East operating such a scheme and there was also a tendency for the larger employers to use flexible working hours.

Although a number of systems were operated, all had three factors in common—a minimum number of hours to be worked in any one day, known as the "core time;" a maximum number of hours; and a "time accounting" period over which a certain number of hours must be worked. Of 73 companies operating schemes, 69 stipulated a minimum number of working hours per day of between 3½ and 6 hours.

Despite the introduction in the 1975 Budget of a tax on the benefit of medical insurance subscriptions, "this type of insurance is increasing in popularity," says the survey. A year ago a similar survey found that 48 per cent. of participating firms had some form of officially recognised medical insurance, while this year the figure had risen to 55 per cent. of companies, with eight having introduced such a scheme since January, 1975.

The survey found few companies willing to introduce maternity rights to women in advance of legislation. Under the Employment Protection Act, a right for an employee to return to work after maternity becomes law this month and maternity payments become statutory next April. However, only 24 per cent., or 65, of participating companies had some form of maternity leave system, and of these only 29 made some form of payment.

A popular benefit, particularly among commuting office staff in London, was found to be a loan or subsidy for travelling costs. Some 121 companies in the survey sample—representing 45 per cent. of the total—gave season ticket loans. Of the 106 which gave details of interest rates, only three stated that a charge was made, the remainder providing interest-free loans. Few companies provided cars or car allowances to office staff and parking space was very limited in its availability.

Among the incentives and bonus payments made, only 19 per cent., or 51 of the companies, had any form of profit-sharing scheme. And while these should serve as an incentive to increased productivity, it was found that "many schemes, once introduced, become guaranteed by custom and practice—in which case they lose their relevance as a spur to efficiency."

Virtually all fixed bonus schemes were given as a Christmas bonus and were a fixed proportion of annual salary. Of 48 companies with such schemes, 15 gave a bonus equal to one week's salary, eight gave two weeks, 14 gave a month and the remaining 11 gave either a 10 per cent. of salary payment or a straight cash sum of between £10 and £100.

For the future, the survey suggests that the main emphasis will be on increased holidays, further introduction of flexible working hours, changes in eating facilities and improvements in pension schemes.

Incentives

● An executive guide on ways of rewarding managers published by a firm of management consultants, Binder Hamlyn Fry, reports that about 40 per cent. of senior managers have extra monetary incentives, above basic salaries. These include profit sharing, shareholdings and common ownership schemes.

A sabbatical holiday of three months every five years is also put forward as a valuable benefit for managers. These, the guide suggest, may benefit the health of the manager concerned, make him work better when he returns, help his planning skills, and give his deputy valuable training.

Another survey, conducted by the Institute of Buyers, shows that in 1975 assistant buyers earned an average of £2,617. Buyers wih overall responsibilities for spending as much as £2m. of company money a year received an average of £4,099. This, the Institute suggests, is low compared with other employees in management positions.

Nicholas Leslie

COMPANY SECURITY

How to protect against fraud

YOUR COMPUTER could be programmed to commit a fraud while being fed information by your new accountant who has a criminal record. He is part of an international syndicate which helps your competitors copy your secret designs and undercut you on price.

At the same time inter-office politics mean that no one on your Board or in a senior management position is prepared to take on responsibility for internal security. In addition you are also unwittingly revealing small but sensitive secrets in sales and technical literature and during lectures your managers give at pubic conferences.

This may all seem far-fetched but it is implied by a selection of some 66 internal company security questions listed in a British Institute of Management checklist aimed at helping managements to head off fraud.

The BIM believes that many companies are not conscious of the problems involved and says: "The modern manager is increasingly faced with the need to pay greater attention to internal security. While most managers are aware of the inherent dangers of a computer in the hands of a less than honest executive, few are conscious of the other areas open to exploitation by the opportunist as well as the professional fraudsman."

First the BIM's checklist gives eight questions for evaluating the need for a security audit. These include asking whether a competitor is undercutting products with copied designs, whether patents are effective, whether a computer has been checked, and whether investment finance sources are reputable.

The issue of who among a company's management is to be made responsible for the subject is raised. Once this has been fixed, the system needed is covered with questions embracing sales, accountancy, patents, licensing, computers, import-export business, staff, counterfeiting, and a company's relationships with the police.

BIM Management Checklist No. 67. Fraud: Internal security checklist. Management House, Parker Street, London WC2. Price 50p to non-members.

John Elliott

Swiss consortium

BY JOHN WICKS IN ZURICH

A GROUP of Swiss companies have formed a consortium to provide a comprehensive security system for companies ranging from personal protection against bomb threats or sabotage to personal security and industrial safety.

Called Insor AG, the consortium covers complete protection systems with consultant, installation, insurance and financing services and is thought to be the first such venture of its kind in the world.

Based in Zurich, the company is a joint venture of manufacturing and service undertakings. Consultant, project, assembly and installation work, as well as staff training and servicing, are provided by the manufacturing companies—Bauer Holding with safes, strongroom equipment and similar products; Borer Electronics with automation installations; Contrafeu AG with fire protection equipment; and Securiton with alarm installations; security concepts and organisation.

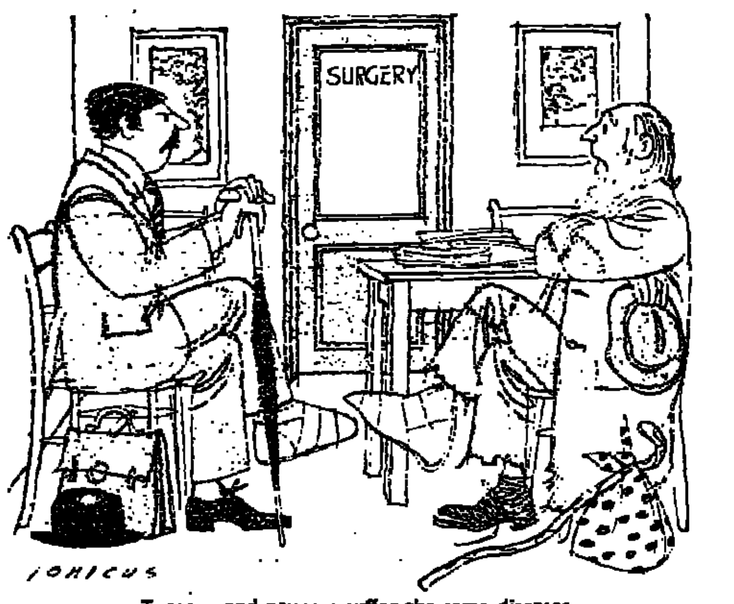
Projects are managed and training facilities are supplied by Brandenberger and Ruosch, while security-control and security-staff services are provided by Securitas, a leading Swiss private-guard corps. Also involved is the Union Bank of Switzerland and the Winterthur insurance group.

All but one of the partners have branches abroad, and will represent Insor outside Switzerland, and the systems hardware and Swiss specialist consultants will also be available in other countries.

EXECUTIVE HEALTH

Middle-class stress

BY DR. DAVID CARRICK



Tycoons and paupers suffer the same diseases

IT IS NEITHER wise nor salubrious for a practising physician to let himself become enmeshed in the nets of political fowlers, whatever the colour of their traps. To him, all patients must be without rank or favour, whether they be members of the old élite or of that which seeks to supplant them; whether they be geniuses or simpletons, they are humans, most of whom, when by themselves, seem to be peculiarly pleasant and co-operative — so long as they desire help and advice.

Tycoons or paupers, even though not necessarily born equal (despite that curiously erroneous American Independence piece of naive nonsense) suffer the same diseases: are afflicted by the same emotional upsets: rise from seed to flower, in one form or another, and fade equally until they go to their long home in the fullness of time.

Drab times

For these reasons I have never considered that executives differ materially from others above or below them in the social strata. But circumstances can and do alter cases. We live in drab and disturbing times in which crisis has became a meaningless word; a time in which nothing seems to improve and, worse still, shows no sign that it will ever do so.

Athough the associated problems are common to a great majority of the population, the executive members of the middle class are suffering most. Such people do not have the financial protection of tycoons nor the certain support of unions should they fail at the fences, they have no cushion between them and the cold and callous ground. Thus they feel that they cannot afford to falter in their upward climb: they cannot be absent without leave: they cannot be careless of their ties and responsibilities because they are so very much alone. Again, they have a curious human desire to avoid failure in a not unreasonable ambition to protect and to improve the lot of their families even if they be dreadfully penalised for such endeavours.

Not surprisingly, therefore, there is a significant and steadily rising number of patients belonging to this group who require help for maladies associated with stress. These include overt anxiety states, certain skin disorders such as psoriasis and others for which psychological factors act as a trigger, digestive disorders from simple dyspepsia to peptic ulceration, insomnia and rather vague debilities including phobias (mainly about heart attacks), other functional pains and sensations plus, very frequently, chronic fatigue that is not in the least bit relieved by sleep.

Worst of all is alcoholism, that sad state arising from forlorn hopes that this narcotic will purchase forgetfulness for the present plus greater ability to cope with problems. All these things alcohol can do for a little while but the freedom bought at a high price is as genuine as that given to a dog on an ever-shortening chain.

Medicaments and other forms of therapy can help—so long as the sufferer will seek advice early instead of procrastinating because he is "too busy." But, even those who, usually at the insistence of their wives, do obtain advice and start treatment, frequently give up because they are not cured immediately and because meetings and other business have to come before medical appointments. To be fair, there is another deeper reason for avoiding help: this is an unspoken conviction, that such help is no more than a superficial shield against the barbs and darts ceaselessly raining from a world that seems to regard them as pernicious enemies.

Last September I pointed out that the Government's call for sacrifices without the faintest offer of eventual reward, was a desolate policy. Evidence for any change since then is not exactly obvious and, indeed, for the harassed group under consideration, little comfort can be gleaned from negotiations between Government and only one section of the community.

Whatever the followers of futile factions may think of the executive class, if they continue in their Gadarene fashion much longer, they will find that the rising sickness rate in a vital part of any society can lead only to the destruction of the entire community sooner rather than later.

The physician, who himself belongs to this very body of despised and demoted beings, can and must still attempt to slow the escaping waters from the crumbling dyke. But ten fingers are too few to hold the flood of stress disorders, and his own strength is sapped by being waist-deep in the very waters he strives to stem. And, as he struggles to delay the cataclysm, his task is rendered no easier by blind sniping from purblind politicians whose ideological island is as seaworthy as a shabby sieve.

If only men and women of all parties would awaken and see that the one chance of salvation lies in co-operative and unbiased endeavour, the dyke could be repaired and the land saved. But the time is eleven fifty-nine.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● POWER

Lead acid sealed cell

RECHARGEABLE, a sealed lead acid battery, now being introduced to the British market, should provide a strong challenge to the established sealed nickel cadmium cell.

It is the Chlorine Cyclon, which is a solution to the long-standing problem of making a practical sealed lead acid battery in a small size and cylindrical shape.

Three inches long and with a working voltage of 2v, it is reliable and produces high energy. It is also cheaper than the equivalent nickel cadmium battery.

Developed for the growing alarm and emergency lighting fields, the battery has applications in industry and the home. It is suitable for portable television and radio sets, technical instruments, garden tools, drills and safety lights, as well as fire and burglar alarms.

Battery technologists have long sought a practical way of building the advantages of the lead acid couple into a system that is both truly sealed and is in the popular "torch" shape. In the new battery they have succeeded. There are other cylindrical lead acid rechargeables on the market, but they tend to have rather short lives because of the problem of water loss.

Other lead acid systems—usually called maintenance-free—have overcome this problem: and give a reasonable performance over an acceptable life, but their construction and shape are more like that of the car battery. And although they can be used in any position, *there is the slight risk that the* battery will leak acid when it is venting while on charge in the inverted position.

Acid cannot leak from the Cyclon, because it is "virtually dry" and is fully sealed in a metal case.

The positive and negative plates are pasted pure lead grids, between which is placed a highly absorbent separator containing all the electrolyte. This sandwich is rolled into a cylindrical element. Lead posts are fitted to both plates, and the element, an inner cap and terminals, are in a polypropylene liner. The metal can is placed round the liner, and the assembly is topped with a relief valve and cap.

The materials and method of construction provide an easy path for evolved oxygen from the positive to negative plate, where it is reduced back to water. This eliminates the need for topping up, and, as the design stops the evolution of hydrogen, this means that virtually no gas is emitted during operation.

Another difficulty solved by the new cell is that of thermal runaway—*the vicious circle in* which overcharging causes heat, which leads to a drop in cell voltage and more overcharging. This tends to happen when a nickel cadmium cell is nearing full charge. If it is connected to a constant potential charger or is in a parallel charging circuit it will eventually destroy itself.

In the Cyclon, there is not this inverse relationship between overcharge current and cell volt*age, so it can be recharged* safely by these methods. Constant current charging can also be used.

In emergency systems, lighting, alarms, and exit signs, *Cyclon batteries should last at* least four years.

Another advantage is that the Cyclon's self-discharging rate, or open circuit loss, is low, at 6 to 8 per cent, compared with 25-30 *per cent. for nickel cadmium* over a period of a month. A fully charged Cyclon can be stored for two years in normal climates before a recharge is needed.

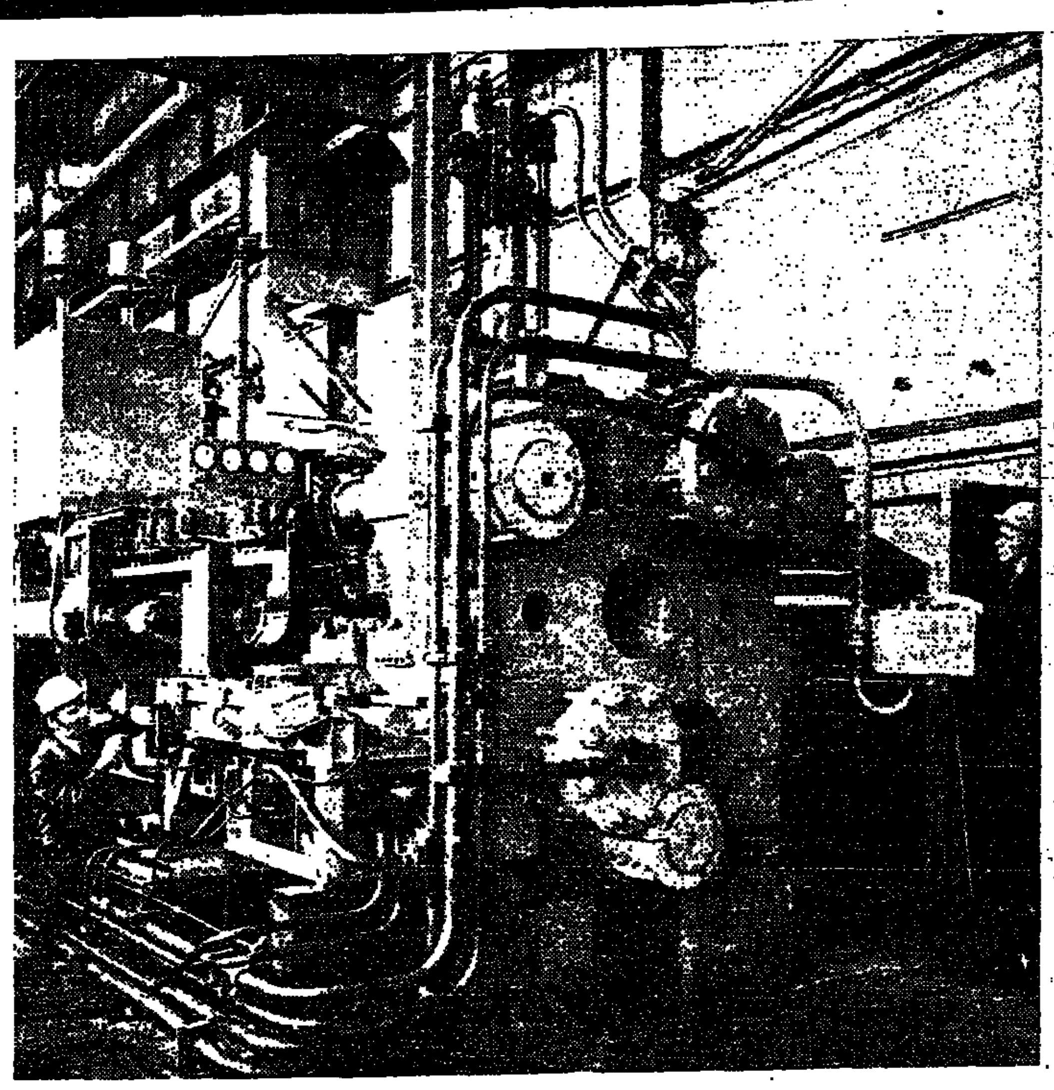
Chloride Cyclon is produced in the D and X sizes, and multiples of both are available in battery form. There are eight types, ranging from a 2v, 2.5 Ah cell to a 12v, 5 Ah battery.

Developed by the Gates company in the U.S., it is being *marketed by Chloride in the U.K.*

One of the reasons why Chloride has chosen to market this innovation is that it offers such a big step forward and a competitive advantage in a market area which, the company estimates, is growing both world-wide and in the U.K. at a rate of about 10 per cent. a year.

As legislative action on emergency lighting and alarms intensifies, as it is expected to do, so the market will broaden and the demand for power packs for entertainment units is still very far from being exhausted. Thus the above growth estimate may be exceeded considerably in practice.

Further details of the cell from Chloride Group, 52, Grosvenor Gardens, London SW1 WOAC. (01-730 0866.)



Heart of a £500,000 fully integrated plant for the production of aluminium alloy *window frame sections is this* 1,600-tonne power extrusion press shown undergoing final tests in the assembly plant of Fielding and Platt, which is *supplying the complete* production line to Gotaverken Byggaluminium AB of Sweden. In addition to the big press, billet heating furnace, extrusion run-out and handling gear, power stretching and other equipment and ovens are being provided, under a turnkey arrangement with the Swedish group which is that country's major window frame maker. The dismantled press with its ancillaries is now awaiting reassembly in a completely new plant in a development area of northern Sweden. *Fielding and Platt* paid special attention in the design of the equipment to environmental problems and laid out the press in such a way that its 400-hp hydraulic pack can be sited in a separate pump room some distance away from the operating area. This means that the noise levels in the press room will *be very considerably reduced* and working conditions correspondingly improved. The transport of the equipment to Sweden demanded the use of 14 separate vehicles, which gives some idea of the amount and complexity of the plant supplied under this important export contract.

● ELECTRONICS

Chronometer is digital

WHAT MAY be the world's first commercial quartz digital chronometer is being launched generally by a British company. Accuracy within one minute even after 10 years' operation, goes hand in hand with a 5.5 seconds a year stability.

It has been under test and operational use for some time with a number of shipping companies and is the outcome of work by a four-man team of electronics engineers.

Part of the secret of the chronometer's accuracy has been the encapsulation of all temperature-sensitive components in a thermally stabilised environment.

A big digital read-out is visible from a distance of eight metres and internal rechargeable cells will keep the device running even if power failure lasts 30 days.

Brown and Perring, 7, St. Botolph Street, London EC3A 7DT. 01-283 1699.

College's designs marketed

PRODUCTS now being offered as a result of co-operation between Loughborough University of *Technology and a relatively new* company, Crane Electronics, include an electronic torque spanner, a horsepower measurement system and a hot spot detector.

The torque set consists of a battery-powered control unit and a range of electronic socket handles and is used for the precision setting of the torque applied to nuts, bolts and other fasteners. Final torque is set in on thumbwheels on the control box. Torque is applied, measured by inbuilt transducer/electronics *and when the limit is reached an* audible note is emitted. The torque thus applied is within three per cent. of the pre-set figure.

Another system is intended for *the measurement of power trans*mitted through shafts from four to 14 inches diameter. A suitably sized ring containing signal conditioning, FM transmitter and batteries are clamped to the *shaft and connected to strain* gauges on its surface. The radio telemetred torque measurement resulting is combined with speed from a tacho-probe working near the serrated edge of the ring to *yield power.*

The hot spot detector is housed in a waterproof rubber torch and produces a tone change when pointed at source of heat. It is intended to increase the effectiveness of firemen in smoke-filled rooms and for tracing subsidiary fires behind panelling and ducting. The seat of the fire can be more accurately determined, preventing water damage.

Other applications are expected in the inspection of dangerous cargoes, mines and machinery. The unit is calibrated *to detect a 1 kW. fire bar at ten* metres. More from Crane Electronics, Twycross Near Atherstone, Warwickshire CV9 3PJ (Twycross 509).

Yields any response

LOW cost active filters using hybrid microcircuit techniques have been introduced by General Instrument (U.K.) which can be used to generate almost any desired filter response between 10 Hz and 10 kHz.

Useful to designers of audio, telephone, sonar, process control, biomedical and other low frequency systems, the ACF-7000 units each *consists* of four suitably arranged operational amplifiers that produce great flexibility —low pass, high pass, band pass and stop responses are all available from the same unit. There is independent control of frequency, "Q," and amplifier gain.

The filters should enable designers to achieve significant reduction in size and weight compared with passive filters. Tight specifications on band-pass ripple, attenuation and stability with temperature and time are easily achieved

An example is the ACF-7170C low pass unit which measures only 48 x 23 x 6.5 mm. in a sealed edge-mounted package. It has only ±0.15 dB passband ripple from 0 to 70 deg. C, better than 40 dB stop-band attenuation at 4600 Hz. 3.4 kHz cut-off and 2.5 mW dissipation. More from Cock Lane, High Wycombe, Bucks. (High Wycombe 27856)

● CONFERENCES

Courses on circuits

INTEL has announced that during the remainder of the year it will be holding six three-day "workshops" at its Oxford training centre, each forming a complete introduction to the 8080A microcomputer *and its family of* supporting components.

The courses are scheduled for July 26, October 25, November 15 and December 6. For engineers who have experience of the *8080A, advanced workshops will* be held on June 21 and September 27.

Fees for the courses are £95 excluding VAT, including lunches and a comprehensive *literature pack. More from Intel* Corporation (U.K.), 4, Between Towns Road, Oxford OX4 3NB (0865 771431).

● RESEARCH

Rolls-Royce inspection time cut

UNDER DEVELOPMENT by Rolls-Royce engineers at Bristol is a technique to provide finer control of the distribution of air within the combustion chamber of jet aeroengines.

By accurate inspection of holes around the outside flanges of the combustion cooling rings, the engineers have been able to achieve a more even distribution of air and to produce an engine which is cleaner, more reliable and more efficient.

To gauge the size and position of these holes a Reticon opto-electronic system is used. With the help of a minicomputer and printer it provides information on hole area and distribution which is directly related to engine performance.

Up to 4,000 holes, 0.02 inch diameter, are produced on the engine rings by an electro-discharge machine. This burns through the metal with graphite rods. The holes produced vary in depth and diameter, but to achieve the desired cooling they must be within a close tolerance. Set in 3, 4 or 5 circles round the flange, they must also be evenly distributed.

Previously, using a plug gauge, *an inspector* took at least three days to examine one ring, and it was impossible to be sure how effectively the holes were distributed across each flange.

The Reticon system, supplied by Herbert Controls and Instruments, Spring Road, Letchworth, Herts., SG6 4AJ (04626 3841), involves scanning illuminated features with a closely spaced (0.001 in.) array of photo-diodes. It has reduced inspection time to less than 30 minutes. Further development is expected to shorten the time to 10 minutes.

Although only at development stage, Rolls-Royce expects the system to go on to the production line later this year. Errors could then be detected while the ring was still mounted on the rotary table and corrections could be made. A TV screen away from the production line would be used for on the spot appraisal.

● INSTRUMENTS

BOC widens its sphere

BOC Automation has agreed with Hunter Associates Laboratory (U.S.) to market in the U.K. and Ireland Hunterlab's range of instruments for appearance measurement. This includes a family of colour measuring instruments, instruments which measure geometric intensity and several on-line continuous monitors.

Typical applications include identification of products for research; tests of conformity to specification; shade-sorting classification and the assessment of product performance in service as measured by degree of change in appearance due to actual or simulated service exposure.

Meanwhile, BOC's CRS group has concluded a sales agreement with Intermagnetics General Corporation (IGC), Guilderland, New York, under which the latter will market CRS's range of helium refrigerators and liquefiers.

IGC has a worldwide reputation in the field of superconducting systems and materials. BOC has gained an international reputation for advanced helium refrigerators. This combination between IGC and CRS should result in a major force in the world's most rapidly expanding market place for equipment associated with superconductivity.

BOC, *Hammersmith* House, London, W6 9DX (01-748 2020).

● COMPUTERS

ICL power in Europe

IN REVENUE terms, ICL's continental European Division, based on Paris, should gross £45m. this year (to October) without Singer. With Singer, the figures go up to around £80-85m. which makes it an important operation in its own right.

The Singer addition brings *with it organisations in* three countries in which ICL was not previously operating, Spain, Italy, and Norway.

It provides a sales organisation geared to attack markets in which ICL was not previously well represented: retail, and bank and insurance company administration. It is also financially a different kind of operation.

The European division also is *responsible for sales to the* Socialist countries and here there are indications of sales, particularly of 2960s, in at least two countries.

Though ICL executives talk of the 2904 as opening up the market for them, giving them kit with which to compete with the System 3 (of which IBM has probably installed some 8,000 in Europe) observers say that the 2960 will probably have an even greater long-term impact.

If one looks at ICL France, it should gross around £25m. (£10m. from the Singer line).

Much of the original ICL France revenues will come from the 2903 of which over 200 have been ordered, and 150 installed. However, ICL France over the years has also sold over 120 1900 Series.

But however good in terms of price performance the 1900 Series is, the French market does tend to opt for the latest and newest technology—often at whatever cost. The 1900 Series is frequently considered old and no longer really a market leader—not the sort of product with which to mount a concerted new customer attack. Until the 2960 came along, ICL had little to offer existing customers wanting a medium 1900 upgrade—the 2970 and 2980 were both too large for the existing customer set. Two 2960s have now been ordered by French companies one of them in the £2m. area. Deliveries are expected to begin in the autumn of next year.

So far, ICL Europe has not sold a 2970 or 2980 in the civil commercial market in Europe. The first such sale however is expected soon and is likely to be in Scandinavia. There is thought to be some continental interest in the "2974," an upgraded 2970.

Operations on this scale demand a change from a situation in which most specialist services operate out of Putney and fly to Europe when required. Such functions as personnel, large systems support, and the like are now being transferred to Paris

مطابق للأصل

Building and Civil Engineering

£4½m. Abu Dhabi job for Howard

HOWARD Algeemt Construction Company of Abu Dhabi (UAE), an associate company of John Howard and Company International has been awarded a contract in Abu Dhabi for the construction of a Parliament building for the Prime Minister, Sheikh Khalifa Bin Al Nahyan.

The building will have a reinforced concrete frame and consist of two floors with a curved elevated access drive. It will be fully air-conditioned.

Value of the contract, which includes the provision of all mechanical and electrical services, is about £4½m. Work is now starting and is due for completion in 14 months.

Associated Middle East Consulting Services of Abu Dhabi are the consulting engineers for the project and E. C. Harris is quantity surveyor.

£2m. homes projects

THREE orders totalling over £2.6m. for traditional-build housing projects in Plymouth and South Wales have been received by Holland, Hannen and Cubitts Construction (London).

The largest contract, worth more than £2m. is for 192 dwellings at Leigham, Plymouth, for The Sutton Housing Trust. The units will range from two-person bungalows to six and seven-person houses arranged in 28 mixed terraces.

Architects are The Louis de Soissons Partnership; quantity surveyors, Geoffrey Smith and Partners, and consulting engineers, R. T. James and Partners.

At Dowlais, Merthyr Tydfil, Cubitts will build 30 houses for the Borough Council under a £317,242 contract. Designed by architects Kerri Jones Associates, the dwellings represent the initial stage of a comprehensive development.

Cubitts third contract is a £236,477 old persons' development at Ty Coch Road, Swansea, for The Hanover Housing Association. It includes 28 flats arranged in one three-storey and two stepped two-storey blocks on concrete trench fill foundations.

This scheme has been designed by M. Rhys Griffiths, Idris Lewis and Associates; the quantity surveyors are Harper and Hill, and the consulting engineers, Kenchington Little and Partners.

Mears gets roads contracts

PRELIMINARY works for the new Queenborough by-pass on the Isle of Sheppey is to be carried out by Mears Construction. The contract is worth £1m.

Embankments of imported filling up to three metres high will have to be constructed and included in the six-month contract (for Kent County Council) are the construction of three culverts to accommodate existing waterways on the marshland site. Mears is also to undertake a £630,000 road job for Cheshire County Council.

The road will extend from Birchwood roundabout to the Pestfurlong interchange on the M62 motorway and will form part of the Warrington Northern Expressway from Orford to Risley. This will provide access from the M62 into the industrial development at Warrington New Town.

The work will involve 1,100 metres of 7.3-metre single carriageway, a small roundabout, a lay-by and about 1,000 metres of slip road at the M62 junction.

The combination of architecture, education and timber is exemplified in this winning scheme in an ideas competition sponsored by the International Timber Corporation. The conditions asked for "the design of indoor and outdoor facilities for pre-school playgroup activities involving new and traditional uses of 'timber.'"

Although not necessarily to be built, a notional site was designated and a background brief provided by the Pre-School Playgroups Association. The winner, Mr. Colin Bottomley, has provided a simple, elegant solution which is both intimate in scale and eminently suitable for repetition on a large site where more than one pavilion is demanded and where the use of a larger scale could be both ponderous and depressing. He collects a useful £1,250 for his winning design.

Being the father of three small boys, Mr. Bottomley could well envisage the problems involved. His scheme is described by the assessors as "a mature solution achieving an excellent mix of generous space and economy of effort without apparent parsimony. The four-square plan provides the kind and variety of indoor and outdoor space which will allow for many known and, as yet, unknown community users . . . a human, pleasant and lively building."

The second prize was jointly awarded to Mr. David Glew, Mr. Malcolm Newton and Mr. Ivan Wilson and the third prize jointly to Mr. Denis R. Wilkinson and Mr. and Mrs. Wejchert.

H. A. N. BROCKMAN

It's the greatest . . .

WHETHER it is because people delight in watching others at work or because it is that they are really fascinated by the skills and dangers involved, civil engineering probably attracts more public attention than any other industrial activity.

Few people, however, get the opportunity to see some of the world's greatest engineering feats at first hand. Television, films and books are a second best, but at least do help bring home, to the layman especially, the immensity of the tasks that have been faced, and indeed, remain to be tackled, both by civil engineers and contractors.

The 288-page Guinness Book of Structures should prove an invaluable source of reference for anyone interested in civil engineering, whether they be merely spectators or in the business itself. The world's biggest bridges, longest tunnels, highest dams, tallest towers and deepest holes are all recorded and many illustrated with, for a book of this size, a considerable amount of detail.

This book will certainly interest the professional civil engineer and surely will excite those studying to enter the profession. The author, editor of The Consulting Engineer, apologises for not including in every case the name of the engineer responsible for design or the contractor. It is a pity this could not be done. They deserve recognition.

The Guinness Book of Structures. Guinness Superlatives by John H. Stephens. Price £6.50.

AGB

Two jobs in Scotland

GILBERT ASH Scotland has won two fee contracts together valued at £500,000.

At Coatbridge, near Glasgow, the company is to build a £400,000 town centre development for Atholl Investments (Scotland).

This calls for a "shell" for nine two-storey shop units and offices. It will be of steel frame construction with pre-cast concrete floors and external walls clad in facing brick and roughcast.

At Aberdeen, Gilbert Ash is to fit out the new West End branch of the Clydesdale Bank in the city's Union Street. The contract is worth £100,000

A brilliant historian

The Royal Gold Medal for Architecture is awarded this year to the historian and critic, Sir John Summerson. The Queen has given her consent to the award on the recommendation of the council of the RIBA which, in its citation, praises Sir John as "one of the most brilliant architectural historians of his time and one who has exerted a profound influence on several generations of practising architects and architectural students."

As a historian, Sir John Summerson made a deep impression with the publication in 1935 of a detailed and illuminating study of the architecture of John Nash. In 1946 there appeared "Georgian London" in which to quote the citation again "Sir John Summerson was the first to show how part of a city was the product of social and economic forces and to examine the conditions under which architecture and planning can be achieved. In doing this he opened up new fields in the understanding of building history, which to-day are increasingly and profitably being explored by his followers."

Among many distinguished positions he has held, and still does, is the Curator of Sir John Soane's Museum in Lincoln's Inn Fields, a fascinating collection of pictures, furniture and memorabilia housed in the home of that great architect, which he himself designed in 1792.

The Royal Gold Medal for Architecture was instituted in 1848 and is conferred annually by the Sovereign on some distinguished architect or group of architects, for work of high merit or on some one whose work has promoted the advancement of architecture.

H. A. N. BROCKMAN

£¾m. packing depot

LEP Packing of Manchester has awarded a £¾m main contract for the construction of a 7062 square metre case-making and export packing depot at Trafford Park to Atcost, of Tunbridge Wells, Kent.

The building, 197 metres long with three spans, each of 22 metres, will be based on a structural frame using precast concrete columns and lattice steel beams. Work has started and completion is scheduled for January 1977.

Furniture hazards assessed

FIRE HAZARDS of plastic materials used in furniture and furnishings are reported in Building Research Establishment Current Paper CP21/76.

This report covers the final year's work of a three-year project carried out by the Rubber and Plastics Research Association (RAPRA) under the direction of the Fire Research Station, Borehamwood. This phase of the project was concerned mainly with fires in furnished rooms. Fires involving sitting/dining room furniture, under well ventilated conditions, showed that traditional furniture burns less rapidly and produces less smoke compared with modern furniture containing foamed rubber and polyurethane upholstery foams, on the other hand it is more susceptible to smouldering.

Experiments in the RAPRA environmental fire facility indicated that the flammability of a modern commercial suite could be reduced to resemble that of traditional furniture by the substitution of less flammable fabrics and by incorporating suitable interlining materials. In bedroom fires modern furnishings burned more rapidly than traditional but improvements were obtainable by the careful selection of bedding materials.

Intensively furnished rooms such as a modern bedsitter have a greater risk of rapid fire spread, because ignition of one item could lead to the rapid involvement of neighbouring furniture.

A similar pattern was found in a simulated hotel bar fire where the number and close proximity of seating and small tables enabled fire to spread rapidly. Modern office furniture based on structural foam burned more rapidly than traditional and the structural foams in this furniture gave a severe smoke problem even after the fire temperature had decreased considerably from its maximum.

RAPRA, Shawbury, Shrewsbury. Shawbury 383.

Floor tiles laid fast

TWO NEW products and tools adapted to go with them are available from Building Adhesives (BAL). Together they provide a new system which could greatly speed the laying of ceramic floor tiles.

BAL-CEM is a cement-based adhesive which fixes floor tiles to most surfaces and BAL-GROUT (flooring), a simple to mix, strong floor grout.

A set of specially-designed tools also supplied by BAL allow a new laying technique which is far quicker and more efficient than previous methods.

The adhesive can be applied as either a thin or thick-bed layer—giving it the advantage of meeting irregularities in the base floor. High bond strength makes it particularly valuable for tiling floors in continuous or heavy use, such as supermarkets, swimming pools, fire stations or breweries.

It can be used in place of the traditional cement-sand mortar methods of tile laying. It can be used on most surfaces, including concrete, cement-sand screeds, unglazed ceramic floor tiles, floor quarries, or terrazzo. With BAL-BOND as a priming agent, its use can be extended to timber and vinyl surfaces.

BAL-GROUT (flooring) is a cement-based grout which obviates the time-consuming process of mixing cement and sand. It is simple to mix, easy to apply, sets more quickly, and can easily be cleaned from the tile surface.

Tools include a mixing attachment for use with a standard power drill, to allow rapid and complete mixing; a long-handled adhesive spreader which automatically provides an even spread of adhesive across the floor, with regular surface ridging, to ensure solid-bed fixing; and a squeegee-head attachment for use with a rotary scrubbing machine when grouting, simultaneously consolidating each tile joint and removing surplus grout.

BAL at 34, John Adam Street, London, WC2 N6HW. 01-839 1101.

Costain to build £12½m. hospital

R. Costain and Sons (Liverpool) has been appointed main contractor for the Park Lane special hospital to be built at Maghull, near Liverpool at a total estimated cost of about £12.5m

Work on the site will start soon and it is planned to move into the buildings in three phases. Completion of phase one, with accommodation for 100 patients, including those already resident in the hospital's advance unit, is programmed for mid-1978. The advance unit is already providing treatment for 70 patients.

Facelift in the Strand

BOVIS Construction has been awarded the contract to fit out Block 1 of Arundel Great Court, a large new office development in Strand, London, W.C.2.

The work, valued at about £1.4m. is being carried out for Arthur Andersen and Co. and includes construction of a PABX room and alterations to existing services.

Block 1 of Arundel Great Court will provide in the region of 70,000 square feet of floor space, which will be divided into individual and open offices, kitchen and refreshment areas, library and conference room facilities.

£3.6m. work for Douglas

R. M. DOUGLAS Construction has won contracts totalling £3.6m.

The largest of these is for £2.6m. for the M4 motorway Stormy Down to Groes section, Stage 2, for the Mid-Glamorgan County Council. This contract requires excavation of 527,000 cubic metres of earth and the construction of embankments.

It also includes the construction of 0.92 kilometres of dual three-lane carriageway and 1.3 kilometres of dual two-lane carriageway slip roads and grade separated interchange. Seven bridges are to be constructed.

Included in the total is a contract for £618,000 for the construction of a gas turbine station at Bulls Bridge, Hillingdon, for the Central Electricity Generating Board.

Roofs and cladding

AMONG contracts worth nearly £1m., Briggs Amasco, part of Tarmac's Building Products Division, has won one worth £450,000 for a roof spanning three acres.

The roof is for a construction "hall" being built by Wimpey over two slipways so that ships can be assembled under cover.

The company is also undertaking roofing and other work on about 400 dwellings at Oldham and at a town centre commercial development at Warrington—a total value of £130,000.

Additionally, Briggs Amasco has been awarded a £200,000 roofing and cladding contract for Turriff at an industrial rehabilitation unit at Preston and shortly it will start a £100,000 mastic asphalt roofing job for a new factory at Wrexham in Clwyd, and a housing contract at Runcorn New Town, Cheshire, valued at £50,000.

Two housing contracts

A. E. SYMES, construction subsidiary of David Charles has begun work on two housing contracts, to a total value of nearly £900,000.

One is for a 4-storey block of 72 flats for the Forest Housing Association in Wanstead, East London, due for completion in June next year. Architects are the Architects Town Planning Group Partnership and Quantity Surveyors are Gordon Harris and Barton.

The other scheme is a 3-storey block of flats for Countryside Properties of Billericay, Essex, at Hasler's Mill, Ingatestone. The contract, due for completion next April, involves the erection of 21 2-bedroom and eight 1-bedroom flats, as well as the provision of car ports, paved and landscaped areas and the construction of roads. Architects are Oxley Cherry Associates and the Consulting Engineers F. J. Brand and Partners.

More homes by Laing

CONSTRUCTION of council housing at Lower Weston, Totnes, Devon, has just been started by John Laing. The £1.6m. contract is for 156 houses and 30 old-people's bungalows at Weston Lane, Lower Weston.

The site, above the River Dart, is steeply sloping, from about 58 metres above sea level at the north and east edges to some 21 metres on the west side. To cater for this, most units will be split level between front and back. The contract is due for completion by the end of November 1977.

Two contracts, totalling almost £1m. have gone to Laing, North East Region, for the building of two schools in Northumberland and Tyne and Wear. Both contracts will employ the SCOLA Mark 3 system of building.

IN BRIEF

● A. G. Manly and Company has begun phase five of Southlands Hospital, Shoreham-by-Sea, Sussex. This mechanical services contract is valued at £1.3m. and was placed by the main contractors, Higgs and Hill.

● Cementation Chemicals has carried out extensive resurfacing to the open air standing and seating accommodation at Wimbledon Lawn Tennis Club's No. 1 Court at a cost of £17,000.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on May 28, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place	Local Unit	Value of £ Sterling
Afars & Issas	Djibouti Franc	295(sg)
Afghanistan	Afghani	98 (A)
Albania	Lek	(O)[illegible](A) (T)25.2(A)
Algeria	Dinar	7.20
Andorra	French Franc	8.30½
	Spanish peseta	119.36
Angola	Angola Escudo	54.20
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(O) 246.60
Australia (S)	Australian $	1.4359
Austria	Schilling	32.25
Azores	Portug. Escudo	54.20
Bahamas (S)	Ba. Dollar	1.7658
Bangladesh (S)	Taka	27.40(sg)
Bahrain (S)	Dinar	0.698
Balearic Is.	Spa. Peseta	119.35
Barbados (S)	Barbados $	3.5277
Belgium	B. Franc	(cm) 59.85 (fn) 70.65
Belize	B$	4.0
Benin	C.F.A. Franc	415¼
Bermuda (S)	Bda. $	1.7585
Bhutan	Indian Rupee	15.855
Bolivia	Bolivian Peso	35.17
Botswana (S)	S. A. Rand	1.53047
Brazil	Cruzeiro	18.62
Br. Solomon Is. (S)	Australian $	1.4339
Br. Virgin Is. (S)	U.S. $	1.7585
Brunei (S)	Brunei $	4.4710
Bulgaria	Lev	1.7908
Burma	Kyat	12.80
Burundi	Burundi Franc	162.56
Cambodia	Riel	n.a.
Cameroon Rp.	C.F.A. Franc	415¼
Canada	Canadian $	1.7230
Canary Is.	Spanish Peseta	119.55
Cape Verde Is.	Cape V. Escudo	54.20
Cayman Is. (S)	Cay. I. $	1.4697
Cent. Af. Rp.	C.F.A. Franc	415¼
Chad	C.F.A. Franc	415¼
Chile	C. Peso	(Bk) 22.88
China	Renminbi Yuan	3.4988
Colombia	C. Peso	(F) 60.90
Comoro Is.	C.F.A. Franc	415¼
Congo (B'ville)	C.F.A. Franc	415¼
Costa Rica	Colon	15.1251
Cuba	Cuban Peso	1.46964
Cyprus (S)	Cyprus £	0.7505
Czechoslovakia	Koruna	(com) 10.50 (n.c.) 20.90 (T) 18.29
Denmark	Danish Krone	10.78
Dominica (S)	E. Caribbean $	4.80
Dominican Rep.	Dominican Peso	1.7585
Ecuador	Sucre	(O) 46.96 (F) 47.36
Egypt	Egyptian £	0.7522 (T) 1.2412
Ethiopia	Ethiopian $	(P) 3.6445
Eq'l Guinea	Peseta	119.35
Falkland Is.	Falkland Is. £	1.0
Faroe Is.	Danish Krone	10.78
Fiji Is.	Fiji $	1.5836
Finland	Markka	6.880
France	French Franc	8.30½
Fr. C'ty in Af. ◆	C.F.A. Franc	415¼
Fr. Guiana	Local Franc	8.30½
Fr. Pac. Is.	C.F.P. Franc	151.00
Gabon	C.F.A. Franc	415¼
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	6.45

Place	Local Unit	Value of £ Sterling
Germany (West)	Deutschemark	4.55¾
Ghana (S)	Cedi	2.0400(sg)
Gibraltar (K)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.4339
Greece	Drachma	64.7355
Greenland	Danish Kroner	10.78
Grenada (S)	E. Caribbean $	4.80
Guadeloupe	Local Franc	8.30½
Guam	U.S. $	1.7585
Guatemala	Quetzal	1.7585
Guinea Rep.	Syli	n.a.
Guinea Bissau	●●	●●
Guyana (S)	Guyanese $	4.4979
Haiti	Gourde	8.7925
Honduras Rep.	Lempira	3.52
Hong Kong (S)	H.K. $	8.6000
Hungary	Forint	(com) [illegible] (n.c.) 40.45
Iceland (S)	I. Krona	331.10
India (S)	Ind. Rupee	16.4655
Indonesia	Rupiah	729.78
Iran	Rial	(A) 126
Iraq	Iraq Dinar	0.5258
Irish Rep. (K)	Irish £	1.00
Israel	Israel £	13.8726
Italy	Lira	1,484
Ivory Coast	C.F.A. Franc	415¼
Jamaica (S)	Jamaica Dollar	1.6016
Japan	Yen	528½
Jordan (S)	Jdn. Dinar	0.595(sg)
Kenya (S)	Ken. Shilling	14.3600
Korea (Nth)	Won	n.a.
Korea (Sth)	Won	856.13
Kuwait (S)	Kuwait Dinar	0.518(sg)
Laos	Kip	n.a.
Lebanon	Lebanese £	n.a.
Lesotho	S. African Rand	1.55047
Liberia	Liberian $	1.7585
Libya	Libyan Dinar	(P) 0.5512
Liechtenstein	Swiss Franc	4.52¼
Luxembourg	Lux Franc	69.85
Macao	Pataca	[illegible]
Madeira	Portug'se Escudo	54.20
Malagasy Rp.	MG Franc	41.54
Malawi (S)	Kwacha	1.5417
Malaysia (S)	Malaysian $	4.51252
Maldive Is. (S)	Mal Rupee	n.a.
Mali Rp.	Mali Franc	830½
Malta (S)	Maltese £	0.7647
Martinique	Local Franc	8.30½
Mauritania	Ouguiya	♣
Mauritius (S)	M. Rupee	12.5516
Mexico	Mexican Peso	21.98
Miquelon	C.F.A. Franc	415¼
Monaco	French Franc	8.30½
Mongolia	Tugrik	(O) [illegible] (T) n.a.
Montserrat	E. Caribbean	4.80
Morocco	Dirham	7.95(sg)
Mozambique	Moz. Escudo	54.20
Nauru Is.	Aust. Dollar	1.4339
Nepal	Nepalese Rupee	24.40
Netherlands	Guilder	4.84
Neth. Antilles	Antillian Guild	3.1477
New Hebrides	Franc	154.22
	Aust. Dollar	1.4339
N. Zealand (S)	N.Z. Dollar	1.7865
Nicaragua	Cordoba	12.37
Niger Rp.	C.F.A. Franc	415¼
Nigeria (S)	Naira	1.154(sg)
Norway	Norg. Krone	9.74½
Oman Sultanate of (S)	Rial Omani	0.609
Pakistan	Pkst. Rupee	17.50(sg)
Panama	Balboa	1.7585
Panama Canal Zone	U.S. $	1.7585
Papua N.G. (S)	Kina	1.4339

Place	Local Unit	Value of £ Sterling
Paraguay	Guarani	219.65
Pp'ls D. Rp. of Yemen (S)	S. Yemen Dinar	(A) 0.79
Peru	Sol	excA 79.20
Philippines	Ph. Peso	15.1750
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.7865
Poland	Zloty	(B) 35.64 (T) 59.56
Portugal	Pgse Escudo	54.20
Port Timor	Timor Escudo	54.20
Principe Isl.	●●	●●
Puerto Rico	U.S. $	1.7585
Qatar (S)	Qatar Ryal	6.95
Reunion Ile de la	French Franc	8.30½
Rhodesia	Pound	n.a.
Romania	Leu	(cm) 8.97 (n.c.) 21.66
Rwanda	Rwanda Franc	170.76
St. Christopher (S)	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	415¼
St. Vincent (S)	E. Caribbean $	4.60
Salvador El	Colon	4.40
Samoa Am.	U.S. $	1.7585
San Marino	Italian Lira	1,484
Sao Tome	●●	●●
Saudi Arabia	Riyal	6.20
Senegal	C.F.A. Franc	415¼
Seychelles	S. Rupee	13.33
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	4.36225
Somali Rep.	Som. Shilling	(A) 11.48(sg)
Sth. Africa (S)	Rand	1.53047
S. W. Africa Territories (S)	S. A. Rand	1.53047
Spain	Peseta	(fn) 119.35
Span. Ports in North Africa	Peseta	119.35
Sri Lanka (S)	S. L. Rupee	15.5668(sg)◆◆
Sudan Rp.	Sudan £	(A) 0.590(sg)
Surinam	S. Guilder	3.1477
Swaziland (S)	Lilangeni	1.53047
Sweden	S. Krona	7.82½
Switzerland	Swiss Franc	4.32¼
Syria	Syria £	(A) 6.75(sg)
Taiwan	New Taiwan $	(P) 66.825
Tanzania (S)	Tan. Shilling	14.265
Thailand	Baht	36.0100
Togo Rp.	C.F.A. Franc	415¼
Tonga Is. (S)	Pa'anga	1.3655
Trinidad (S)	Trin. & Tobago $	4.2204
Tunisia	Tunisian Dinar	0.765(sg)
Turkey	Turkish Lira	29.30(sg)
Turks & Caicos	U.S. $	1.7585
Uganda (S)	Ug. Shilling	14.9600
United States	U.S. Dollar	1.7585
Uruguay	Uruguay Peso	(cm) 5.56 (fn) 6.27
Utd. A. Emirates	U.A.E. Dirham	6.95
U.S.S.R.	Rouble	1.30
Upper Volta	C.F.A. Franc	415¼
Vatican	Italian Lira	1,484
Venezuela	Bolivar	7.54(sg)
Vietnam (Nth)	Dong	(O) n.a. (T) n.a.
Vietnam (Sth)	Piastre	n.a.
Virgin Is. U.S.	U.S. Dollar	1.7585
Western Samoa (S)	Samoan Tala	1.0461
Yemen	Rial	8.01(sg)
Yugoslavia	New Y Dinar	32.6056
Zaire Rp.	Zaire	1.5653
Zambia (S)	Kwacha	1.13265

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent Rhodesian February 17, 1970. Recent reports suggest a rate of about 1.1160 Rh. dollars to £1.

♣ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs 5 to one unit of the new currency.

(x) General rate: oil and iron exports 3.5637.

(z) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles, the North Vietnamese dong at 0.306 roubles, and the North Korean won at 0.7492 roubles. With the pound standing at 1.40 roubles the following relationships could be calculated for the pound: £=6.22 tugriks; £=4.57 dongs; £=1.87 won.

●● Information not available for this edition.

Rate is the Transfer market (controlled).

Rate now based on 2 Barbados $ to the dollar.

Now one official rate.

Following devaluation.

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TUESDAY, JUNE 1, 1976

Descending Mt. Kenya

IT HAS become clear since the ending of the oil embargo, which applied only to one very special commodity, that the Third World not only lacks the power to "confront" the industrial democracies but also has very little interest in doing so. It has turned to the West for concessions in trade, aid and the transfer of technology because only the West can give them. The argument is about how much and in what form. There is also the question of separating the inevitable political rhetoric from the reality.

That is one of the reasons why the general Western performance at the UNCTAD meeting which ended in Nairobi at the weekend was so depressing. The issues were known well in advance. They had been discussed at countless previous meetings, including the seventh special session of the United Nations last September which ended in a surprising measure of agreement and was to have set the guidelines for future negotiations.

Since then there have been talks in the OECD and the European Community as well as other less formal groupings. Yet the Western countries arrived in Nairobi without even the semblance of a joint position. Not even the EEC could speak as one, let alone the Europeans and the Americans. Nor, by all accounts, was the situation much better by the end.

Investment

Once again, just as there had been at the special session, there was a major U.S. initiative, this time Dr. Kissinger's proposal for an Investment Resources Bank. It is not that the proposal was a bad one. Indeed it had the considerable merit of seeking to focus attention on the fact that if there are to be plentiful supplies of raw materials in future, some thought will have to be given to investment now. However, almost no effort was made to discuss the proposal with the other industrialised countries in advance, and none at all with the Third World. Dr. Kissinger produced his plan almost out of the blue which, it should have been learned by now, is a sure way of offending those Third World delegates who have been working for years and often in great detail on plans of their own. In the end, and not surprisingly, his proposal was voted down not so much on merit as out of pique.

Some indulgence towards Third World language is also called for. Those in the industrialised countries who oppose *the idea of commodity buffer* stocks on principle would presumably be the first to accept the need for the U.S. strategic stockpiles and the holding of stocks by private companies. With a little effort, it might be argued that some of the Third World proposals are based on precisely the same idea, though on a much larger scale. Equally, the debate about whether commodities should be dealt with in groups or on a case by case basis has been needlessly exaggerated. In the end, each commodity will have to be discussed separately whether or not there is a common fund to support them.

Compromise

It is at least fortunate that, unlike previous UNCTAD conferences, the Nairobi meeting can be quickly followed up elsewhere. Attention will now shift back to the Conference on International Economic Co-operation (CIEC) in Paris where it may be hoped that the delegates will *acquit themselves better. What* the industrialised countries have to grasp, however, is that there will be no progress at all unless they can agree among themselves. The so-called "hard-liners" who stress market forces and the need to maintain private investment have a case, especially now that the terms of trade again seem to be turning in favour of the primary producers. So do those countries who stress the moral issue. But it ought not to be beyond the wit of the collective membership of the *OECD to devise a compromise.*

Alternatives to the nationalisation Bill

AMONG the more absurd assertions from the Government side during last week's Parliamentary fracas was the claim that a postponement of the nationalisation Bill would threaten the aircraft and shipbuilding industries with large-scale unemployment and commercial disaster. Nothing could be further from the truth. As Mr. Jo Grimmond, the Liberal Leader, pointed out, the Government already has ample powers, under the Industry Acts, to assist the companies concerned. Indeed, if there is to be a further injection of public money, selective intervention is likely to be less costly to the taxpayer, and more effective in industrial terms, than wholesale nationalisation, which sweeps *good companies as well as bad* into a giant corporation. If the delay to the Bill makes it possible for alternatives to nationalisation to be discussed and examined, Mr. Maxwell Hyslop's Parliamentary manoeuvre will have served a valuable purpose.

Industrial case

One of the depressing features of the whole affair has been that, even though the Bill is unpopular and controversial, the Government has never felt *obliged to make out an industrial case for it.* In other shipbuilding countries, such as Sweden, the take-over of shipyards by the Government is seen not as an end in itself but as part of a clearly thought-out plan to bring about a reduction of capacity and so to help the industry through the present slump in orders. If the British Government has such a plan, it has never been disclosed: it is committed for party political reasons to nationalisation and is charging ahead with it.

No doubt is would be possible to draw up a blueprint for a publicly owned industry in which centralised direction would bring certain apparent advantages—in cutting out competition, in steering orders to the yards best able to undertake them and perhaps in negotiating special deals with British shipowners. But that is only one possible blueprint and it ignores, among other things, the management problems to which large, state-owned corporations are peculiarly prone. Some of the companies due to be nationalised are in any case specialists in naval work, are making profits and have nothing to gain from nationalisation. Even if the state of the world market and the growing threat from new shipbuilding nations in the "third world" are judged to make a national plan for the industry essential, such a plan does not have to involve nationalisation.

As for aircraft, Mr. Eric Varley, the Industry Secretary, made the curious statement in the House of Commons last week that if the Bill was not passed quickly into law the nationalised French aircraft industry would lose confidence in us as partners and would turn irrevocably to the Americans. This conveniently ignores the fact that if nationalisation had never been thought of partnership negotiations could have been pressed ahead rapidly during the past two years. As it is, there is no reason to suppose that a merged British Aircraft Corporation/Hawker Siddeley company, with or without a Government shareholding, would not be able to find a place for itself in the world aerospace industry, albeit on a smaller scale than at present. Nationalisation has nothing to do with it.

Irrelevant

The bitterness of last week's row in the House of Commons reflected more than an opportunist attempt by the Opposition to embarrass the Government over an apparently technical point of procedure. It brought to a head the feelings of anger and resentment over the way the Government, a minority government, is trying to push through a Bill which is probably supported by only a minority of its own supporters, which owes its origins to outdated Labour Party dogma and which is totally irrelevant to real economic problems. It is yet another case where the interests of Labour Party unity have been allowed to take precedence over those of the country. The Opposition should continue to do all it its power to see that the Bill is dropped.

Will the results of the elections in Italy and America affect the U.S. attitude to Europe, and also political developments in the EEC? **M. H. Fisher** reports.

Two troubling questions for West Europe's future

WE are to-day in this country preoccupied, perhaps one might even say obsessed, with our own problems. Viewed from the Continent they look very different, no easier, but more peripheral to the future of Europe than one might imagine in London. There is a tendency here in particular to underestimate the danger which now threatens the whole structure of Europe as we have known it since the end of the war.

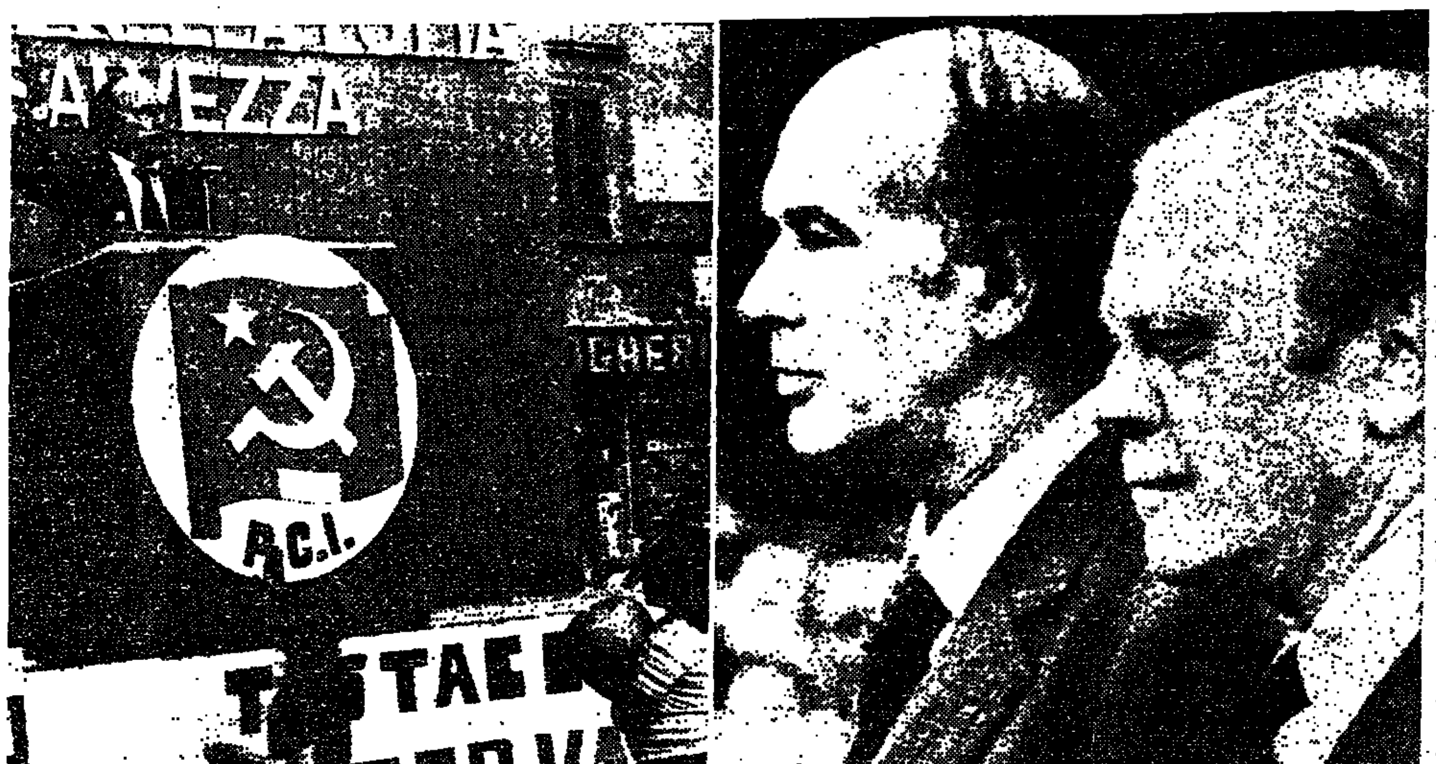
This structure has rested on two basic propositions. The first has been that the U.S. will in all circumstances protect Western Europe, that whatever differences might appear from time to time, Europe and the U.S. recognise a fundamental community of interest. Secondly, the countries of Western Europe have been groping, however slowly and hesitantly, towards closer unity, towards an alignment of national policies, and towards the creation, however hesitant the moves, of institutions which would formalise this trend.

Most serious recession

Outwardly, little may appear to have changed. We have come through far and away the most serious recession since the end of the war, and yet trade liberalisation has been preserved. The EEC may not be going anywhere in particular, but at least it is not going backwards. NATO continues in existence: bilateral relationships between most of the key European countries and the U.S. are certainly no worse than they have been at various times in the last two decades, to say the least.

And yet a feeling of unease is there. There are some perfectly rational explanations. Watergate has meant that the *normal period of stability in* American politics in between Presidential elections has been lacking. Congress and the administration have been fighting over control of foreign policy, and no one can foretell how that struggle will develop after next November. Germany is due to have an election in October. In France, though talking to Frenchmen it is sometimes easy to underestimate the innate conservatism of the country, the Government is very much aware of the threat to it *posed by the growing strength* of the Left. The British Government by now makes little pretence that it can play an active role. And Italy will have an election next month which could produce a Government in which the Communists would participate, or which would depend on their support.

Italy's Communist leaders go to great lengths to explain that such an eventuality would not disturb the existing order of things. "The greatest contribution which we could make to the strengthening of the Europe we all want to see is to stabilise both the political and economic condition of Italy," one of them told me last week. They have, they argue, no desire to alter the role which Italy plays in NATO, or in the E.E.C. "We need foreign capital. Foreign companies have played a valuable part in Italy's economy, we want them to continue to play their part. And we recognise that they will only do so if their operations are profitable."



Two key problems for President Giscard d'Estaing and President Ford (right). Would success by the Italian Communists (Maurizio Ferrara, left, addressing an election rally) strengthen the French Communists, and can the Italian Communists' statements be taken at face value?

It is not only the Italian Communist leadership which proclaims ceaselessly that the party is now democratic, pluralist, reformist, and non-revolutionary. Many young middle class Italians accept that a change is needed, that the system which the Christian Democrats have been running for over 25 years is both corrupt and bankrupt of ideas. They may tend to underestimate the difficulties of changing much more than a political system, of reforming an administration which is overmanned and ineffectual, which has made virtually no attempt to meet the requirements of a modern industrial society.

What those Italians who are going to vote Communist because they believe the promises that the party has changed also underestimate is the impact which a victory of the Left could have outside the country. It is, of course, dangerous to prophesy, but the odds at this stage are that the Communists will not score a decisive advance, and that after the elections we shall see the same old faces haggling about the formation of a Government in which the Christian Democrats will play the predominant part.

Yet what matters is that in Germany, in France and of course in Italy itself such an outcome would be regarded as merely a shorter or longer postponement of the inevitable. For the moment, naturally enough, attention is concentrated on the short term and its political and economic implications. In Bonn, which the Germans themselves now recognise as the power centre of Europe, events in Italy are regarded as crucial in two areas. Both the Social Democrats with their FDP allies and the Christian Democrat opposition profess confidence that they will win the elections in the autumn, even if only by a narrow margin.

The differences between the party programmes are minimal and to some extent artificial. The Christian Democrats may have coined the slogan "Freedom or Socialism," but admit in private that the threat posed to freedom by socialism (German version) is long term. Herr Helmut Schmidt, the Chancellor, has brought Germany through the recession by insisting that the fight against inflation had to have priority, and the economic recovery which is now well under way is almost certainly more soundly based than that in any other competing industrial nation.

But the Government is concerned that an advance of the Italian Left could put in question the U.S. Government's attitude to Europe and to NATO and, more parochially if understandably, that a swing to the left in Italy could trigger off a swing to the right in Germany. The first preoccupation is certainly one which is shared fully by the German opposition.

In France, just as in Germany, the economy is in upswing, though from a higher level of inflation—some 10 per cent. as against 5 per cent.—than in Germany. The franc is stable, after the excitement earlier this year when it was forced out of the snake. The Government may be subject to more criticism than for a considerable time past, but the differences among the Left are also considerable.

Here too, there is political concern over Italy, though it takes the opposite form to that in Germany. In France the Government's fear is that successes by the Left in Italy would strengthen the Left in France, and the municipal elections next year and even more the Parliamentary elections in 1978 are already casting a shadow. But for France, Italy is also a cause of economic worry. The sharp decline of the lira is already causing serious problems for a number of French industrial sectors. Textiles and shoes are the worst affected so far, and the fear, on straight economic grounds, that whatever happens in Italy next month will do nothing to bring about a recovery of the lira is a very real one.

What is particularly depressing in this context is that there is general agreement that there are now two seriously undervalued currencies in the Community, the pound and the lira. There is general and genuine admiration for the British Government in having reached an agreement on an incomes policy which, if it were wholly successful, would mean that wages in this country would rise more slowly than anywhere else in Europe. But whereas the decline of the lira has led to an immediate and sharp increase of competitive pressure from Italian goods, there are so far no indications that the fall of sterling has had a similar dramatic impact. To some extent that may well be due to the geographical spread of British exports and the nature of the goods sold. The lead times are longer for other than pure consumer products.

Where the position of the pound and the weakness of the U.K. do matter, though, is in relation to the development of the EEC. Governments on the Continent may be committed to the start of direct elections to the European Parliament in 1978. But none of them believe that such a move by itself could give any renewed impetus to the EEC. There is recognition, moreover, that the plans for monetary union are not only dead, but were never practical, given the divergent trends in the various economies.

What the German Government for one would like to see is the evolution of much more closely aligned economic policies—"we know we should have to pay, but we are willing to as a condition of more effective European unity"—based on discussions not merely between Ministers but with the participation of employers and trade union organisations. Here, however, the political divisions in the Italian and French trade union movements pose major obstacles, even assuming that an alignment of national economic policies were possible within the foreseeable future.

Outside its borders

Thus for anyone from this country the picture is worrying. Most worrying is that Britain apparently no longer even pretends that it is interested in what happens outside its borders. And thus economic weakness is reflected in a lack of British political influence at a time when Europe may have to face up to problems which are novel and are bound to pose major conceptual as well as practical difficulties. If the Left in Italy wins, should the rest of Europe take the policy statements of the Italian Communists at face value? Can the Americans be persuaded to do the same? Would, if one could answer "yes" to both these questions, a change of regime be preferable to the continuation of the present situation with not only the political dangers that implies, but the threat that a continued decline of the value of the lira would pose to the free movement of goods in Europe.

Can the balance of the Community be maintained at a time when the U.K. and Italy are weak and the relationship between France and Germany is subject to tensions which, while they may rest on nothing more than French recognition of Germany's sheer weight, are none the less very real?

Overshadowing all these questions is that of how the U.S. will react to whatever the outcome of the Italian elections may be and, in the only slightly longer term, how a new U.S. administration will order its relations with Congress at home and with Western Europe. It is always tempting in this type of situation to overlook the factors which make for both continuity and inertia. And yet it is hard to escape the conclusion that we stand if not at, at least close to, a decisive point in Europe's post-war history, when the whole framework of assumptions on which Europe's post-war development has been based is suddenly in doubt.

MEN AND MATTERS

The turf's Italian connection

Sleepy Newmarket, one of horse racing's world capitals, seems an unlikely town to be monitoring the Italian general election later this month, but it is true. The reason is that a win for the Communists is expected to provoke an air lift of costly race *horses from the big Italian training centres to the gallops of* England as rich Italians hasten to switch their wealth out of Italy.

The Italian connection in English racing is already extremely powerful. The "invasion" has been led by Dr. Carlo Vittadini, the Milan pharmaceuticals industrialist, and Carlo d'Alessio, a Rome lawyer, who effectively ruled the roost in England last year, winning £336,050 between them.

Vittadini led the way with Grundy, which won the Epsom Derby and is now a £1m. stallion at the National Stud. His example is being followed by d'Alessio, the owner of Wollow which has already won the 2,000 Guineas and is the red hot favourite for to-morrow's Derby. Wollow cost 7,000 guineas and is undoubtedly worth £1m. as well now. Just to emphasise the strength of the Italian presence, Wollow's rider is the Italian jockey Gianfranco Dettori. Both Wollow and Grundy were English bred.

Newmarket even has its own Italian trainer, 28-year-old Luca Cumani, who trains 38 horses. Of these, only three are owned by non-Italians. Apart from d'Alessio, who has six horses in Cumani's Bedford House yard, his Italian owners include Dr. Max Boffa, a Milan stockbroker, who has sent the champion Italian sprinter, Three Legs, to England.

So there has been a significant swing in the emphasis of turf ownership. A few years ago it was the big barons of American business who dominated English racing, men like John Galbreath, who made his money in the construction industry, banker Paul Mellon, Nelson Bunker Hunt (oil) and the late Charles Englehard (metals). Now it is Italy's day.

"Italian owner, Italian jockey . . . before long we'll be getting our winnings in lira!"

Brief

Some of those question-and-answer sessions conducted in *print can be rather trying to* plough through, and I liked the direct approach of F. W. Grol, managing director of the European Brazilian Bank in London. He is one of five bankers questioned in the magazine *Euromoney* about the risks and rewards of international bank loans to Brazil.

The first question: "Is Brazil over-borrowed?" Grol's answer: "No." Then off go the others with a couple of hundreds of words each. Question two is: "What is your view of Brazil's economic future?" "Good," is Grol's reply, while the others rattle on. "Do you believe that Brazil can meet the repayment on its foreign debts?" is the next poser, to which Grol says: "Yes." To the last question, Grol actually offers seven words. "Will banks continue to lend to Brazil? If so, why?" "Yes," declares Grol, "since Brazil is a good risk."

Guns, vests . . . and Rosie

The security business is bound to have its bizarre side, even if those involved naturally take matters seriously. Like for instance J. Peter Grace, president of the American W. R. Grace group, who startled reporters at the company's annual meeting in Boston—for the bulge under his nicely-tailored jacket was indeed a revolver.

Grace explained: "With all the things that are going on to-day we've got to be prudent. I wear it all the time." His company does business in 40 foreign countries, and there is also reckoned to be a considerable risk in the U.S. itself.

"The world of finance, as we all know, is rough-and-tumble, if not dog-eat-dog, but its movers and shakers rarely feel the need to go about armed," comments *Barron's* the New York financial weekly, reporting the Grace case. The paper adds that the American authorities have warned "hundreds of the country's chief executives" that their names have turned up on gruesome "assassination lists."

True to form, at least one American company reckons that the "movers and shakers" of British and American business will eventually face the sort of hazards which are now being thought about in the U.S. Second Chance Body Armor Inc. is producing a new bullet proof vest for executives called the Z9, which weights just 4 lbs, is completely concealable and is only ¾ inch thick.

Its cost to British buyers would be approximately £75. For that, according to tests conducted by Body Armor Inc., the vest has been shown to protect against 9mm and .45 calibre machine guns, hand guns ranging up to .45, 12 gauge shotguns, fragmentation bombs, hand grenades and high- and low-velocity shrapnel. But in all seriousness, do British executives need to think about such things? Peter Heims, editor of *Top Security* magazine, agrees the risk is relatively small here at home, but he reckons "some form of protection" might be advisable for business travel to central and south America.

Finally to the more traditional aspect of security work, that of preventing theft. As its star turn for guarding Jewellery cases, a California firm has a tarantula called Rosie.

The hairy-legged spider is leased for $10 a month by a local silversmiths store which no longer finds itself attractive to smash and grab raiders. Unlike guard dogs (or even, of course, humans) who need feeding and exercising a lot, Rosie is very economical: a live mouse every six months and she's happy.

Glug

Keeping the head down . . . or perhaps just another story of the heroism of British executives. The P & O annual report recalls the acquisition of a couple of companies for the group's oilfield services division which have "provided sound submersible management."

Observer

Third World countries and the West are still on speaking terms. **Reginald Dale** reports from Nairobi.

Unctad IV: back from the brink

THE WORLD'S rich and poor countries are still on speaking terms, and the dialogue over how to narrow the gap between them should continue without major upheaval—at least for the time being. Despite considerable frustration and disillusion, the majority of the Third World nations still think it worthwhile dealing with the West on the basis of concensus rather than confrontation, even though it is their belief that the tactics of key countries like the U.S. and West Germany will be to concede only the absolute minimum to prevent the dialogue breaking down. This is the main outcome of the month of long drawn-out and often tiresome negotiations in the fourth UN Conference on Trade and Development (Unctad IV) that finally ended in compromise here in the early hours of yesterday morning.

The Third World nations' concern to avoid a return to confrontation was evident in their willingness to keep on negotiating when the conference seemed on the brink of failure on Thursday night. If the developing countries had wanted an excuse for a real showdown, there were plenty to hand in the chaotic atmosphere that prevailed as the conference approached its scheduled end on Friday with no sign of major concessions by the industrialised countries.

The atmosphere was hardly propitious for agreement. On the day before the conference was due to end, after over three weeks of largely fruitless discussion, the Western countries had still not made a serious initial negotiating offer on the key political issue of the talks—the developing countries' adamant demand for a new common fund to stabilise the price of commodities.

It was perhaps the fault of the developing countries too, since they failed to agree to direct negotiations between key selected representatives of each side at an earlier stage. Their constant fear is that the West will pick off their representatives one by one and destroy the fragile unity of the so-called Group of 77—the bloc of developing countries whose membership has now risen to 113. But a 154-nation plenary conference is not the ideal forum for concrete negotiations, and progress only began to be made on Friday with the formation of the so-called Mount Kenya Summit group, including six countries from each side (the U.S., France, Germany, Britain, the Netherlands and Sweden for the West, and Algeria, Brazil, India, Indonesia, Jamaica and Venezuela for the Group of 77).

Compromise

The representatives of the 77 went to Mount Kenya knowing that they would not succeed in getting all they wanted. The U.S., Germany, the U.K. and Japan had made it quite clear that they could not commit themselves, even in principle, to the establishment of the common fund in Nairobi, despite the greater enthusiasm of the other industrialised countries. One attraction of the final compromise—agreement to preparatory studies with a view to a negotiating conference to set up the fund by March, 1977—was simply that it effectively postpones the major clash that is still looming. While the 77 claim that the industrialised countries are now fully committed to the fund, the U.S., Germany and Britain have all made it plain that they regard themselves as committed only to the preliminary studies, and the U.S. has hinted that it may not contribute even if the fund *is finally established.*

For the 77, the West's willingness to set up the fund is the test of the industrialised world's readiness to agree to the new international economic order on which they are pinning their hopes. They want a *restructuring of the world economic* system so that in future it will contain built-in automatic instruments for reallocating resources without continuing dependence on the goodwill of Governments or Parliaments or the economic situation in the West. The fund, provided it is *big enough, could in their view* be such an instrument. So too could the new set of predetermined rules for debt relief and the binding code for technology transfers that were the other two key demands of the 77 in Nairobi. In an unfair world, they argue, binding rules are *necessary.*

So far the West is taking only hesitant steps down this path. The outcome of Nairobi has been a reluctant agreement that some kind of "guidance" can be worked out for debt rescheduling (Britain vetoed the word "guidelines"), and the *question of whether the proposed* new technology code will be mandatory or optional or a combination of both has been postponed. Despite the move forward on the common fund, its ultimate shape and size are still unknown.

The major Western countries have deployed their own several arguments against the fund as envisaged by the 77, (who want the total to rise ultimately to $6bn., one-third in government contributions with the remainder raised on the market). The fund, they say, would divert scarce development resources from more deserving projects and would not necessarily benefit those most in need: it would mean the West signing a "blank cheque," and it would not work anyway. Western officials point out, rightly that many of the 77 are themselves not over-enthusiastic about the fund, and support it mainly for reasons of political solidarity.

Buffer stock

The 77 are also divided on the fund's purpose. Some want it limited to financing buffer stocks to stabilise prices, others want the money also to be used *to encourage diversification in* the developing countries and generally restructure their economies—a prospect that arouses horror in the industrialised countries at the thought of the amounts of money that would be required. In any case, Western officials argue, many of the commodities on the list put forward by the developing countries are not suitable for buffer stock financing. The U.S.-German-*British line is that individual* commodity agreements must first be negotiated before the need for funds can be properly assessed.

But despite this determined rearguard action, the 77 are now confident that Nairobi has started a bandwagon rolling that will be impossible to stop. Industralised countries such as the Netherlands and Norway have already pledged contributions to the fund and others are likely to follow. The hope is that the "hardliners" would eventually be isolated. The negotiating conference will now go ahead and the threat of a return to confrontation is still there in the background, as the Algerian delegate, who generally took a highly conciliatory line at the conference, was at pains to point out in the closing session.

A major question mark, however, remains over the attitude of members of the Organisation *of Oil Exporting Countries.* Most of them have pledged support for the fund, but only one, Indonesia, has actually put a figure on its contribution—$25m. A tentative figure of $250m. to $300m. has been suggested for the total of all the OPEC countries' individual contributions *but they could well* have second thoughts if they found that most of the industrialised countries were not contributing.

Nevertheless, the U.S. seems to have gone further than it originally intended in giving the fund its apparent blessing in the final compromise resolution—despite efforts, alongside Britain and Germany, to row back in separate statements after its adoption.

In exchange for giving ground on commodities, the U.S. had clearly hoped to win approval for its own proposal for a new *International Resources Bank* to encourage investment in raw material production in developing countries. The plan, launched by Dr. Kissinger, as the conference opened, is for a new bank with $1bn. capital which would raise up to $2bn. by selling "commodity bonds" *on the private market.* Many developing countries were dubious about what they saw as the capitalist flavour of the idea, suspecting that the aim was largely to give the U.S. easier access to their raw materials and create profitable conditions for the operations of multi-national companies. In the closing stages of the conference, the proposal to press ahead with studying the plan, backed by all the Western industrialised countries, was narrowly voted down by the developing *countries.*

Although it was at one point feared that the U.S. would retaliate by adopting an even *more hostile attitude to the* common fund, Mr. Charles Robinson, Deputy State Secretary, must have seen that this was politically impossible and could have wrecked the entire conference at the 11th hour. He contented himself with a Press statement that he would *continue to press the proposals* in the Paris dialogue.

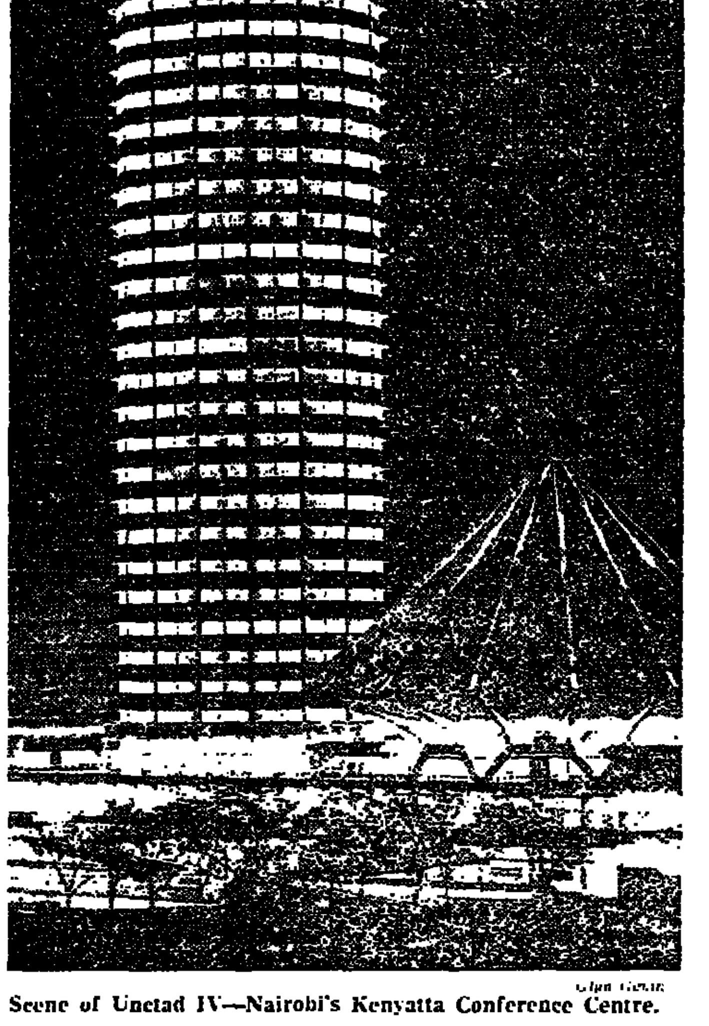
But while the U.S. was under enormous pressure on commo*dities, it was not wholly* without friends. Indeed one of the most striking aspects of Nairobi has been the clear emergence of an alliance between the U.S., Britain and Germany, with Japan as a more or less silent partner, effectively destroying the unity of the EEC.

The development has severely disturbed the other Community countries, and Britain has certainly not enhanced its position in the developing world by the approach it has been adopting in Nairobi.

U.K.'s tactics

Britain's negative attitude has in fact been one of the major talking points here over the past four weeks, and there is little doubt that the U.K. seriously misjudged its tactics in preparing for Nairobi. Insufficient effort was made to *consult the developing Common*wealth countries before the talks—in contrast to France's meticulous courtship of the Franc Zone—and a great number of Commonwealth countries were disappointed, particularly in view of Sir Harold Wilson's initiative on raw materials at the Commonwealth Conference in Kingston last year.

Equally absent from the public scene have been the *East Bloc countries who pre*ferred to leave the whole deal to be negotiated between the developing countries and the West. The Eastern countries have made some commercial concessions to the 77 in separate talks over the past few weeks but they have refused point blank the two main demands of the developing countries—commitment to an aid target of *one* per cent. of *gross national product and pay*ment for developing countries' exports in hard currency. The lack of complaint from the 77 is significant of their conviction that they can still go a more profitable deal with the West.



Glyn Genin

Scene of Unctad IV—Nairobi's Kenyatta Conference Centre.

Letters to the Editor

Little Englands

From Mr. Ray Shenton.

Sir,—In his article, "The case for several little Englands" (May 18) Joe Rogaly makes a common error in assuming that regional feelings in England do, in fact, exist.

The English people may want further devolution to some form of regional government; on the other hand, they may not. The fact remains that it is for them to decide through their own English Parliament. It is nothing to do with the British Parliament or anybody else for that matter.

Westminster politicians are continually uttering fears of the "break up of the United Kingdom." Why? Do the Scots fear a Scottish Parliament? Do the Welsh fear being governed from Wales? Increasingly they do not, judging by the success of the nationalist parties. If this be the case why should the English people fear the growth of an English National Party and the possibility of an English Parliament to govern them?

Could it be that all that Westminster patronage has completely shielded Westminster politicians from political reality? This must be the case since a slight knowledge of history will convince anybody in these islands that Scotland, Wales and England are nations as opposed to that absurd legalism Britain and the British.

Proof of the imbecility of the Conservative Party's thinking is that they express fears of the disintegration of the U.K. when at the same time they know that England is a Conservative country anyway. They could have installed themselves in power years ago by devolution. They didn't do this, presumably because they fear a Conservative Government!

Devolution does not mean, necessarily the closing of borders and the erection of tariff barriers. We are in the EEC anyway. It does mean people deciding what goes on in their own countries and developing a feeling of identity and independence without being dictated to by bloated, imperialistic political conglomerations.

Ray Shenton.
7, *Crystal Palace Road, SE26.*

Taxation of partnerships

From Mr. Jack Ross.

Sir,—I see that Justinian (May 24) has again returned to the topic he started on March 29, namely that Partnerships can avoid tax by the proper timing of cessations. Before dealing with his extended example, there are one or two small points which I think should be made.

Justinian states correctly that I said there would be no tax saving in practice on his example. The fact that another correspondent said, without giving details, that there was a tax saving compensated in other ways, is not an argument against anything I wrote.

The article on March 29 did not give a five year cycle or a four year cycle, or any period at all. It looked only at a normal year (which was taken there to be April 30, 1975 and assumed that the figures were the same for the years 1974 and 1976).

Justinian states that I used a figure of £1m. as the closing work in progress on cessation. This was the figure given by Justinian as being the assumed value of the work in progress at the price billed to clients. I did not introduce any original figures into the argument.

His earlier reference quotes the sentence "tax shall be chargeable under Case VI in respect of the sums arising from the carrying on of a profession during any period before the discontinuance where the profits for that period were computed by reference to earnings, in so far as their value was not brought into account in computing the profits for any period before the discontinuance." This seems to be a paraphrase of Section 143(2) Taxes Act 1970 which is headed "Receipts After Discontinuance." However, Section 138 of T.A. 1970 specifically covers the position of valuation of work in progress at discontinuance of a profession or vocation and in effect provides that work in progress must be taken at market value unless it is transferred for money to another person (including Partnership) which will carry on the profession in the future. In that case, the final figure for the old firm becomes the initial figure for the new firm. Otherwise Section 143 to which Justinian has already referred, applies in respect of sums arising from the carrying on of the trade not otherwise chargeable to tax and this seems to me entirely apt to catch the difference of £400,000 in the closing work in progress.

I was content previously to point out the flaws in the reasoning in the first article purely on the figures given there without introducing any new facts or figures of my own. The following points do arise, however, for consideration in practical terms:

If a new firm (on the figures given) trades at no profit for its *first 12 months,* anybody who was not a partner in the discontinued practice is going to be very unhappy with the cash flow position.

I do not know how many firms of solicitors Justinian has dealt with but I would think it very rare for work in progress to be valued at six months billings. Considering the profit margin and that work in progress is in the accounts at cost, the figure is actually the equivalent of nine months work, on average. Does this firm not get progress payments on long-winded matters?

Justinian has of course, given figures which suit his argument but are suspect. In his example, first-year costs of £800,000 produce work in progress of £600,000 and bills of £200,000. This means no profit on bills delivered in the first year, but a one-third profit on later years. I doubt if our local tax inspectors would accept the figures at face value.

Justinian's articles depend on his argument that the difference between the cost of work in progress £600,000 and the charges to clients of £1m. may escape assessment. If it did, then he would have a valid point. There seem *to be no decided cases* on the point. His previous article depended on the argument that this was positively so. He now recognises that the matter is not certain as the last sentence of his article states "The point remains open." We have made some progress.

Jack Ross.
16, John Dalton Street, Manchester.

Devaluation self-delusion

From Mr. W. Grey.

Sir,—It will not have escaped the notice of Mr. Henry Meulen (May 26) that the National Institute of Economic and Social Research, in its latest review, fears that the fall in sterling, while improving growth and the balance of payments, will worsen inflation and enforce further cuts in real incomes. To argue that "devaluation is less painful than a credit squeeze" is, on this score, to condemn it with faint praise.

Besides, experience shows the one cure to be no substitute for the other. Was not a previous Government, after it had devalued in 1967, obliged to institute a credit squeeze (among other things) in order to "make devaluation work"? And is not the recent jump in U.K. interest rates—forced by the weakness of sterling and ultimately by the present Government's massive borrowing requirement—little more than a credit squeeze in another guise? Indeed, if devaluation is not to be self-perpetuating (and, goodness knows, we have been living with it for the best part of ten years), it must be reinforced by other measures, of which a credit squeeze may be only one, sooner or later.

Unfortunately that is the *trouble about the devaluation* philosophy—that the false sense of security, or of the "less painful" way out, it helps to generate, makes those who indulge it, and the rest of us, victims of their self-delusion, and renders the final remedy a lot more painful than it need have been if those other measures had been taken in better time. In this respect, successive Governments have a great deal to answer for.

W. Grey.
12, Arden Road, Finchley, N.3.

What Layfield missed

From Mr. Ronald Beale.

Sir,—It is strange that a Committee of Inquiry into local government finance should appear to perpetuate a conspiracy of silence over two fundamental injustices of the *present system, both of which are* at the roots of the rate problem faced by many householders.

First, local rates—and presumably local income-tax were it introduced—are not deductible from income taxed by the Inland Revenue as in other countries, for example, Australia. If the sum paid in rates from net earnings were grossed up to include the tax already paid, the actual burden borne by householders would be seen in its true perspective, in that every £100 of local rates would represent at least £125 of earnings.

The impact on pensioners and widows living on investment income from savings is particularly serious where investment surcharge is levied above £1,500 per annum without deduction of allowances. What trade unionist would regard £30 per week as a living wage, even with allowances? Many elderly persons are finding it impossible to remain in the homes where they had expected to spend the rest *of their days.*

The second injustice also hits the elderly hardest. When extensive development requires expansion of public services *which, under the present system,* must be largely financed by existing residents through rates, the burden is again increased. Outstanding examples are water, drainage and, *above all, educa*tion, which latter accounts for more than half the gross rate in some areas.

As more new residents move into an area, new schools and teachers are needed for the children of young parents whose career still lies ahead, but the initial costs fall heavily on owners of older houses which may carry high assessments but are not easily saleable—even if they wished to sacrifice their familiar homes.

It is a bitter thought that, having fulfilled their own parental responsibilities and tried to provide for their future, they must contribute to the living expenses of the new generation, whose new cars and holidays abroad are ample evidence of ability to pay more, themselves.

In some countries, developers are required to deposit a substantial sum for connection of office buildings and housing estates to the public services and for expansion of necessary plant. In this country they escape that responsibility and pocket their profits.

It would have been reasonable to expect that a Committee of Inquiry with such a wide remit would have started with the *basic faults of the system, in*cluding the spreading of the major burden of education on a national rather than a local level. Unless this is done, there *can be no effective relief for* ratepayers.

Ronald Beale.
Chimneys, 27 Oatlands Close, Weybridge, Surrey.

Well-off teachers

From Mr. A. D. Levaggi.

Sir,—Michael Dixon's assertion (May 26) that the "existing teaching force is relatively well off" requires qualification.

The current annual Remuneration Survey of the Royal Institute of Chemistry clearly shows that I, a Head of Science at the maximum of the "classroom" salary scales am right at the bottom of the *bottom quartile* for earnings of all Members and Fellows in my age *group.*

I would agree, however, that a former ladies hairdresser teaching her grossly-overcrowded trade as a Lecturer II in a technical college on a salary of £5,000+ for 35 weeks or so's work a year is, to quote her own words receiving "money for dirt" as also is her Principal Lecturer (£6,000+) colleague dispensing compulsory liberal studies to the hairdressing students.

I would also agree that a Lefty whose stock-in-trade is a degree in sociology and a well-publicised enthusiasm for mixed-ability groups and individualised learning is well-paid receiving £10,000 per annum as Head of a factory devoted to the production of Labour voting-fodder. Yes, an L.E.A. Drama Adviser on £6,000+ per annum is doing very well indeed—he would be fortunate to have a job at all (£60 per week?) in provincial rep.

However, Mr. Dixon's examina*tion of teacher unemployment* does not answer the question as to why it has taken so long to arrive. Even 11 years ago in 1965, a Ministry directive went out to training colleges requesting them to restrict main subject geography and PE students to 10 per cent. of their intake. Since then the colleges have gone on blithely expanding their intakes largely derived from 6th form "sweepings-up" specialising in main-subject humanities *and other easy options.*

A fair number have ended up on the Labour back benches (take a look for yourselves) but this cannot account for all of *them! Perhaps the answer lies* in the way that present-day large comprehensive schools are stuffed with part-time teachers enjoying full-time status and salaries and pompous titles for jobs which demand neither high intelligence nor academic attainment. Thus it is possible for a school to advertise for a "Head of Girls Careers" on a higher salary scale than its also advertised "Head of Biology."

Meanwhile, teacher unemployment or not, there are still schools seeking mathematicians for September next. If anyone knows of someone with an Upper Second in the Maths Tripos who is tramping the streets looking for work, he or she is assured of agreeable working conditions in at least one school in the North of England.

A. D. Levaggi.
79, Wilton Street, Denton, Manchester.

Erosion of differentials

From Mr. L. E. Smith.

Sir,—Now that the ritual discussions between the Government *and Trade Unions have been* concluded to the satisfaction of both, perhaps I, as a professional engineer, middle manager and father of sons, can express my concern about the continuing erosion of differentials between manual workers who start earning at 16 years of age and those people who go on to further *education to obtain a qualifica*tion, probably not starting earning until aged 23 years. The decision as to whether I should recommend my younger son to *become a manual worker or gain* a qualification is surely one that should be considered on business-like principles. There are two different income patterns that *can be analysed by* discounted cash flow techniques to obtain net present values for the two careers to 65 referred to the age of 16.

By using the figures published in the Department of Employment Gazette, table 123, giving the average weekly earnings for manual workers covering full-time men and boys in all manufacturing industries at October, 1975, a Discounted Cash Flow calculation can be made. Similarly, by taking the median salaries for Graduate and Corporate members of the Institution of Mechanical Engineers as published in their late 1975 survey the career net present value can be calculated, also by DCF.

The result of these two calculations, using a conservative factor of 10 per cent., is most interesting in that the discounted *value of the career earnings for* the manual worker is worth approximately £25,500 at age 16, whereas at the same age the discounted career earnings for the *qualified engineer have a* value of only £21,500. In each case, the analysis has been based on gross earnings and it would seem likely that the higher marginal rates of tax for the professional man, as his earning capability increases, would make the result seem even less favourable to him.

Perhaps our Chancellor and the union leaders will give some consideration to this comparison before we get to a situation where *there really are insufficient quali*fied people available to generate the work and earnings for the manual workers. It would appear that without making any allow*ance for the greater responsibili*ties the professional usually carries, his average salary should be increased by at least 20 per cent. just to obtain parity. This would seem to give a good correlation with what the average middle manager has lost to the retail price index over the last three years.

L. E. Smith.
34, Oaklands Drive, Wokingham, Berkshire.

To-day's Events

GENERAL

EEC Foreign Ministers end two-day meeting, Brussels.

CBI Economic Policy Committee meets.

Duke of Edinburgh, as Master of Trinity House, visits Gravesend and Tilbury, and opens new pilot station at Harwich.

*Provisions of Employment Pro*tection Act in force from to-day include legal protection for women who wish to return to jobs after maternity; right of employees to join independent union; time off with pay to seek other work when made redundant; revised compensation terms for unfair dismissal; longer minimum periods of notice; and more detailed written contracts of employment.

All cattle imported from Republic of Ireland now require certificates showing that they come from tuberculosis-free *herds.*

International convention on hallmarking comes into operation, whereby articles with marks below 925 Sterling standard may not circulate freely in U.K.

Finance Houses Association base rate now 10 per cent.

Ross McWhirter Tribute. Mr. Ralph Harris, general director, Institute of Economic Affairs, speaks on "Economics of a Free Society." St. Lawrence Jewry next Guildhall, E.C.2, 1.15 p.m.

Exhibition of stamps of Borneo *territories of Sarawak,* British North Borneo, Brubei and Labuan opens at Gibbons Gallery, 399, Strand, W.C.2

OFFICIAL STATISTICS

Capital expenditure by manufacturing, distributive and service industries and manufacturers' and distributors' stocks (first quarter—provisional).

COMPANY RESULTS

Martin the Newsagent (half-year). McCorquodale (half-year). Northern Foods (half-year).

COMPANY MEETINGS: See Week's Financial Diary on Page 8.

COMPANY NEWS + COMMENT

Foseco Minsep expects further progress

ALTHOUGH THE world economic outlook is still cloudy. Mr. E. Weiss, chairman, believes that the **Foseco Minsep** group will definitely continue to advance steadily from the broad and expanding base it now enjoys.

The policy is one of continued prudent expansion, and the directors intend, where possible, to grow from within.

International operation will continue to be extended and product ranges broadened. The group makes and supplies specialised problem solving products and services principally to the metallurgical, building and construction industries, and for water treatment.

As known, pre-tax profits for the year 1975 went up from £12.69m. to a record £14.16m., and the net dividend total is lifted to 3.7246p from 3.4278.

Mr. Weiss points out that comparisons with 1974 are favoured by the depreciation of sterling against most currencies, since 78 per cent. of group sales arose outside the U.K., although devaluation of some currencies, particularly the Argentinian peso, had an unfavourable effect.

Trading conditions were very difficult. The Foseco Sectors operated against very severe falls in steel production and equally depressed foundry production. The major reason for the continued strength and advance of the metallurgical businesses lay in the successful exploitation and development of new products in major markets.

The building and construction industry was also widely depressed, particularly in the U.K. which is still the key market for the Fosroc Sector which did well to increase profitability and to expand further its geographic base.

The Fospur and Fosmin Sectors operate largely in the U.K., but both returned increased sales and profit.

Cash and short-term deposits net of overdrafts are some £4.7m. more than a year ago. However, says the chairman, it should be borne in mind these funds will certainly be required in due course to finance the additional working capital that will be required to respond to the resurgence of the world economy.

Meeting, 36 Queen Anne's Gate, SW1, June 22 at 12.30 p.m.

● comment

Foseco might be labouring under difficult trading conditions this year—that at any rate was the message earlier this month—but the balance-sheet is showing plenty of resilience. Turnover rose 16 per cent. in 1975 but net working capital at December was just 8 per cent. higher, with stocks up less than an eighth. Liquidity is even more of a feature, with net borrowings representing less than a tenth of tangible shareholders' funds, against a quarter a year earlier. The explanation is partly to be found in the way net spending on fixed assets over the past two years has been covered by net cash flow with more than £6m. to spare. The shares are an eighth below their 1976 best at 134p where a yield of 3 per cent. is covered 3.9 times. The p/e is equally premium-looking at 13.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:—Martin The Newsagent, McCorquodale, Northern Foods.

Final:—Brixray Group, James Dawson, Estates and General Investments, Firmin and Sons, Wormalds Walker and Atkinson.

FUTURE DATES

Interims:—

Jessups	June 7
U.S. and General Trust Corp.	June 9

Finals:—

Alida Packaging	June 2
Alpine Soft Drinks	June 15
Bilton (Percy)	June 3
Bright (John)	June 3
Carclo Engineering	July 5
Carless Capel and Leonard	June 7
Dartmouth Investments	June 2
Dominion and General Trust	June 4
G.E.I. International	June 8
Gobbrei (C. H.) Foucard	June 16
Land Securities	June 16
Oceana Develop. Invest. Trust	June 3
Property Hldngs and Ivest. Trust	June 22
Rotaprint	June 2
Whiteley (B.S. & W.)	June 3

Overseas expansion for Weeks

MR. F. WEEKS, chairman of **Weeks Associates**, says that the group is continuing with efforts to expand overseas activities, and as a priority to increase direct exports so as to utilise available manufacturing capacities more effectively.

With continuing economic problems in the U.K. he feels that it would be foolhardy to forecast for the current year, but "we are quietly optimistic" and "the group is in good heart."

The capital expenditure programme has been completed and the group is in a very strong position to take advantage of any upturn in business. "All we require for the next phase of growth is an increase in demand and the orders to go with it," declares Mr. Weeks.

As reported group pre-tax profit improved from £221,873 to £240,343 in the year ended January 25, 1976. The chairman says that the most pleasing aspect of the year's performance was to see the benefit of the diversification strategy introduced in 1973.

Both companies acquired have performed extremely well and so far as M.E. Mechanical Handling is concerned there was the double benefit of its tax losses which considerably reduced the year's tax charge. This offshoot has tax losses of some £330,000 still available.

Meeting, Willerby, North Humberside, July 9 at noon.

J. Billam down but recovering

SOARING COSTS have reduced margins at J. Billam and pre-tax profits show a drop from £246,243 to £115,532 for 1975.

When reporting a fall from £141,284 to £62,614 at halfway the directors said that they anticipated that the second half results would be comparable with those of the first.

In the current year to date sales and profitability have improved and there is every indication that this progress will be maintained throughout the year, the directors state.

After tax of £52,937 (£128,766) the net profit emerges at £62,615 (£117,477)—earnings per 10p share are stated at 4.17p (7.83p). The dividend is 2.925p (2.947p) net, with a final of 2.21p.

The group is engaged in the manufacture of cutlery and flatware, and precision sheet metal engineering for the aircraft and motor industries.

Normand slumps in second half

SECOND HALF profits of **Normand Electrical** fell sharply from £427,000 to £221,000, leaving the total for the year ended February 28, 1976, £30,000 lower at £761,000.

When reporting the first half (28 weeks) jump from £364,000 to £540,000 the directors warned that order books were giving cause for concern, and that profits for the second half would not reach the level achieved in the same 1974-75 period.

They now say that in view of the major economic slump the year's profit is considered satisfactory. Orders are again picking up and production is being increased to meet demand. Although improving, the first half 1976-77 profit is unlikely to match that of the same period of 1975-76.

	1975-76 £000	1974-75 £000
Turnover	6,814	6,500
Interest	91	76
Profit	762	791
Taxation	401	424
Net profit	360	367

Earnings per 20p share are stated to be down from 5.8p to 5.3p. The dividend is raised from 2.1346p to 2.3222p, with a maximum permitted final of 1.4559p net.

More from Allied Leather

FROM IMPROVED stated earnings per 25p Ordinary share of 17.39p against 16.98p, **Allied Leather Industries** is raising its net dividend total from 3.1875p to 3.445p with a final of 2.21p.

The earnings improvement reflects a lower tax charge. Pre-tax profits were marginally off at £731,097 against £751,675.

	1975 £	1974 £
Group turnover	11,924,221	10,061,344
Profit	731,097	751,675
Taxation	377,957	406,832
Net profit	353,140	344,843
Extraord. credits	89,728	213,645
Balance	442,868	558,488
Pref. dividends	5,250	5,250
Ordinary dividends	89,900	83,750

1928 Trust up to £1.34m.

GROSS REVENUE for the year to March 31, 1976 of **Nineteen Twenty-eight Investment Trust** increased from £1.57m. to £1.65m. and pre-tax revenue from £1.2m. to £1.34m. after expenses and interest of £0.3m. against £0.37m.

After tax up from £0.46m. to £0.54m. the attributable balance rose from £0.74m. to £0.81m. Earnings are shown to have improved from 6.05p to 6.64p per 25p share and the dividend is raised from 5.6p to 6.45p net with a final of 4.2p.

The net asset value was shown at 237.75p compared with 172p.

	1975-76 £	1974-75 £
Franked revenue	853,875	758,052
Unfranked	792,502	808,978
Gross revenue	1,646,377	1,567,030
Admin. expenses	81,932	65,919
Interest charges	220,661	301,187
Revenue before tax	1,343,784	1,196,924
Tax	537,426	461,371
Available Ord.	806,358	735,553
Ord. dividends	783,675	680,400
Retained	22,683	54,953

Salter Group reorganises

In a major reorganisation, the **George Salter Group** has streamlined its main spring manufacturing and engineering divisions, resulting in the formation of three new companies.

They are Salter Precision Presswork, formerly London Spring and Slater Springs (Salter Engineering Components), both operating from existing premises in Warley, and Salter Tool and Engineering (Concise Tools) West Bromwich.

HIGHLIGHTS

Company news is inevitably thin on the ground following a Bank Holiday and this week is sticking firmly to tradition. The only major result comes on Thursday when **BP** puts out its first quarter. **Hickson and Welch** produces an interim on the same day, while to-day ses six-month profits from **Northern Foods**. The week-end postbag included a full report from **Foseco Minsep** together with **Trafalgar House's** formal bid for **Clark and Fenn**.

Flight Refuelling sees significant increase

A "SIGNIFICANT" increase in both turnover and profits is forecast for the current year by Mr. M. J. Cobham, chairman of **Flight Refuelling (Holdings)**.

He says that, notwithstanding the difficulties which exist, he looks to the future with greater optimism than for some years past.

The company has the financial and human resources to exploit the opportunities which for many years it has sought to create, members are told.

Mr. Cobham reports that there are now clear indications that a period of increased activity lies ahead and says that the company is well equipped to face the future.

As reported on April 30 pre-tax profit for 1975 expanded from £0.53m. to £0.6m. and the dividend is stepped up from 2.132p to 2.332p net.

Wm. Pickles long-term confidence

IN VIEW of the present state of the economy Mr. C. H. Buckley, chairman of **William Pickles and Co.**, says he cannot be over-optimistic about 1976 prospects for the group, as there must be a definite upturn in demand before the results can show any worthwhile increase over those achieved in the past.

However, he is confident that the long-term outlook for the group is excellent, as all the subsidiaries enjoy very high reputations in their respective trading areas.

As reported group pre-tax profits fell from £936,770 to £651,372 in 1975. The Banner Group had an extremely difficult year because its manufacturing units came under intense pressure from cheap imports. This company had to sell one of its smaller factories last year and this has been followed by two other small factories being closed early in 1976.

The chairman is confident, however, that the new marketing strategies which have been developed in the Banner organisation will enable the company to resume its growth, both at home and overseas, when economic conditions improve.

While the other companies in the group, with one exception, showed some decline in profit this was very much in line with the national trend of reduced unit sales and greatly increased costs and expenses.

Rowan and Boden placing

The prospect of **Rowan and Boden**, the Glasgow-based engineering, flooring and furnishing, plastics and transport group, ending its close company provisions, and coming to the market for a placing was indicated at the annual meeting.

Mr. J. D. Shaw, chairman, said all divisions were doing well and that it looked as if the company was going to have a satisfactory year.

Mr. James McLaren, a new director representing Elbon Investments, which acquired the holding of the former parent, London and County Securities (in liquidation), said that in accordance with the offer documents, consideration was being given to a reduction of 30,000 in the number of shares in the company and a possible placing. This was all a question of timing and that sort of timing "might be nearer six months than three years."

Downturn at Edward Jones

A fall in the second half leaves the profit of **Edward Jones (Contractors)** down at £119,961 for 1975 compared with £178,859 in 1974. Turnover was £2,611,269 compared with £2,302,958.

Chairman Mr. J. L. Davies says that trading conditions are still difficult, but it is hoped that the effect of these will be offset by the record order book already in hand for the current year.

Earnings per 10p share are stated to be down from 2.37p to 1.37p. The net dividend is effectively held at 0.91347p—equal to 1.40535p (1.27759p) gross.

In last Wednesday's report on the results the company's name was incorrectly given as Edwin Jones (Contractors).

GEO. SANDEMAN

The chairman of **George G. Sandeman**, Mr. T. W. Sandeman, warned shareholders at the annual meeting that the group was suffering from "intense competition, higher interest charges on bank overdrafts, increases in wages overseas and also the weakness of the pound to make imports to the U.K. any how more expensive." Despite sales of both port and sherry at the end of April being ahead of the same period a year ago, the chairman said that he would only be in a position to give an indication of the current year at the interim stage.

LONRHO

At meetings of holders of the **Lonrho** 6½ per cent. loan stock 1990-95 and 8¾ per cent. stock 1990-95 resolutions sanctioning the repayment of the stocks were passed.

Meetings of holders of the 7½ per cent. stock 1983-88 and 7½ per cent. stock 1984-89 were adjourned, in the absence of the appropriate quorum, until June 21.

McNeill expands to £0.83m.

TURNOVER OF concrete and structural engineers, **The McNeill Group**, increased from £9.6m. to £13.6m., and pre-tax profit advanced from £336,006 to £827,399 in 1975.

When reporting first half profit up from £171,000 to £408,000 the chairman, Mr. D. B. McNeill indicated that those "satisfactory results" should continue for the rest of the year.

A final dividend of 1.93169p lifts the net total from 2.61875p to a maximum permitted 2.85044p per 25p share. Net profit was £327,399 (£229,540) after tax of £500,000 (£306,466).

The directors have agreed to acquire for £110,000 some of the plant, equipment and goodwill of R. J. McKinney (Structural Engineers) a subsidiary of R. J. McKinney, for 275,000 Ordinary shares of McNeill.

The shares have been placed on behalf of the vendor and in this context the Treasury has approved an increased dividend of 3.575p for 1976.

Mr. M. Al-Fayed having disposed of his holding in Lonrho has resigned as a director.

Cedar Trust progress

Pre-tax revenue of **Cedar Investment Trust** increased from £401,048 to £495,723 in the half year to March 31, 1976, and the net figure was up from £254,800 to £311,916. Net revenue for the year to September 30, 1975, was £672,909.

An unchanged interim dividend of 0.7p per 25p share has already been declared. Last year's total was 1.9p.

Net asset value per share is shown at 74.3p (64.2p, at September 30, 1975) including the full investment currency premium of 8.0p (7.4p), deducting prior charges at par, but treating the 9 per cent. Convertible Loan stock as fully converted. In the event of a sale at valuation, asset value would have been reduced by 2p (1.6p) loss of currency premium and 3.8p (2p) estimated capital gains tax.

	Half-year 1976 £	1975 £
Income*	631,072	528,669
Management expenses	40,119	32,537
Interest charges	95,230	95,262
Revenue before tax	495,723	401,048
Corporation tax	31,518	26,308
Imputed tax	132,289	109,940
Net revenue	311,916	254,800
Preference div.	12,093	12,093
Interim Ord.	221,134	221,126

* Including imputation credit.

FT Share Information Service

The following security has been added to the Share Information Service:—

Dares Estates (section: Property)

ISSUE NEWS

MIDLAND BANK STATISTICS

Statistics compiled by the **Midland Bank** show that the amount of "new money" raised in the U.K. by the issue of marketable securities in May was £393.2m. In the first five months of this year £1,033.8m. has been raised compared with £776.8m. in the same period last year. This month's total is the largest ever recorded in a single month, but £203.8m. was accounted for by the rights issue made by Imperial Chemical Industries.

BIDS AND DEALS

Incentive Invests deal financing

The formal document in respect of the offer of 21p per share by Incentive Investments to acquire the Ordinary capital of Ashbourne Investments reveals that Mr. L. Faust and Mr. B. Glazer—who between them are interested in over 4m. shares in Ashbourne—have agreed to make interest-free loans to Incentive totalling £844,221.

The loans, which are for a period of five years, represent the entitlement under the offer, and will be subordinated to the loans made by banks to Incentive. Mr. Faust, whose family trust is interested in 2,075,977 shares, has agreed to loan £435,955; and Mr. Glazer, who with family interests owns 1,944,122 shares, have agreed to loan £408,266.

County Bank is satisfied that Incentive has available to it sufficient resources to satisfy the consideration on full acceptance of the offer. The offer closes on June 23.

Albert Martin expansion

Albert Martin Holdings, clothing manufacturers, has acquired **Sybille Claymar** and its associate Wilson and Meakin, for an effective cash consideration of £192,900.

Sybille manufactures and sells ladies' blouses. Pre-tax profits for the year to January 19, 1976 attributable to assets being acquired was £75,283 on a turnover of £413,106.

BRITISH DEBT BUYS CREDIT DATA

British Debt Services, whose Stock Exchange listing was suspended two weeks ago at 8p, is buying **Credit Data** for a nominal sum, and at the same time, Credit Data has agreed to purchase the controlling 51 per cent. interest held in BDS by the chairman Mr. J. Bentham, who has resigned from the Board.

Mr. P. F. S. Brooks has been appointed chairman of BDS and Messrs. A. Jackson, L. Foster and F. Thompson have joined the Board.

The directors expect the merger to "materially improve the company's trading position" and the combined cash flow from the combined operation "will be more than sufficient to meet the company's indebtedness."

Lilley's £1.2m. acquisition

F. J. C. Lilley, civil engineering contractors, has agreed to acquire **Wilson Pipe Fittings** for £1.2m. in cash.

The Board of Wilson has accepted in respect of its own holdings as also has the principal shareholder, Industrial and Commercial Finance Corporation.

These acceptances total 81 per cent. of the issued shares and the Board is unanimously recommending the other holders to accept.

Wilson's net tangible assets at March 31, 1976, according to the audited accounts, were £1,044,000 and average pre-tax profits for the three years to that date £274,000.

BLDG. SOCIETIES MERGER

The **East Surrey Building Society** and the **Croydon Royal Arch Building Society** plan to merge. They have entered an Instrument of Transfer whereby the East Surrey undertakes the engagements of the Croydon society from July 1, subject to ratification by Croydon members at a special meeting on June 31.

The Croydon society was established in 1881 and has assets of £400,000. The East Surrey, established in 1903, has assets of £9m.

LEAD INDS. SALE

Lead Industries Group is selling to Indian shareholders 20 per cent. of the capital of **Goodlass Nerolac Paints** for approximately £200,000. This move towards greater Indian participation is in line with the Indian Government policy, and reduces the LIG holding from 80 per cent. to 60 per cent.

NO PROBE

On present information the proposed merger between **Prestcold Holdings** and **Searle Manufacturing Co.** will not be referred to the Monopolies and Mergers Commission.

Pending dividends timetable

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus *) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
AD Intnl.	July 2	Final 9.3%
Allen (Edgar)	June 24	Final 13.4%
Allied Brews.	June 24	Int. 6.2%
Anglo-American Group	June	Dividends
Anglo-Transvaal Group	June	Dividends
Arbuthnot Latham	June 12	Final 2.6%
Armitage Shanks	June 11	Final 12%
Assoc. British Foods	June 9	Sec. int. 31.8%
Associated Television	June 25	Final 12.6%
Baker Perkins	May 8	Final 5.4%
Bassett (Geo.)	June 24	Final 21%
Beresford (S. and W.)	June 13	Int. 15.3%
Berry Wiggins	May 19	Final 7.5%
BPB Inds.	June 25	Final 6.7%
British & Commwlth. Shipping	June 18	Final 12.4%
Cavenham	June 18	Final 15.6%
Charrington Gardner	June 17	Final 11.7%
Charter Cons.	June 8	Final 24.4%
Charterhouse Group	May 30	Int. 5.4%
Chloride	June 17	Final 15.5%
Chubb	July 3	Final 17.6%
Cohen (Geo.) 600	June 10	Final 10.5%
Compair	June 16	Int. 6.[illegible]%
Davis (Godfry.)	June 23	Final 12.4%
Dawson Intnl.	June 24	Final 10.7%
De La Rue	June 8	Final 26.2%
Dec. Rentals	June 12	Final 17.5%
Elliott (B.)	June 26	Final 12%
English China Clays	June 19	Int. 5.4%
Finlay (Jas.)	June 2	Sec. int. 6%
General Electric	July 2	Final 9.4%
General Mining Group	June	Dividends
Gold Fields Group	June	Dividends
Granada	June 30	Int. 5%
Grand Metropolitan	June 11	Int. 4.5%
Guinness (A.)	June 18	Int. 12.1%
[illegible] Corpn.	June 12	Final due
Hambros	June 12	Final 30.2%
Hardy and Co. (Furnishers)	May 20	Final 19.2%
Harrisons and Crosfield	June 18	Final 18.5%
Henlys	June 20	Int. 15.5%
*Hickson and Welch	June 3	Int. 8.2%
Hill Samuel	June 10	Final 15.4%
Johnson Cons. Group	June	Dividends
*Johnson Matthey	June 8	Final 6%
*Land Securities	June 18	Final 7.6%
*Lloyd (F. H.)	June 23	Final 16.7%
*Lofs [illegible]	June 23	Final 19.3%
London and Northern Grp.	June 18	Final 12.3%
Lyons (J.)	June 29	Final 8.4%
*McCorquodale	June 1	Int. 6.1%
*Metal Box	June 8	Final 9%
News Intnl.	June 27	Int. 21.1%
Norcros	June 16	Final 12.3%
*Northern Foods	June 1	Int. 6.1%
Ozalid	June 16	Final 19.3%
Peglar-Hattersley	June 12	Final 20%
*Pilkington Bros.	June 11	Final 6.7%
Plessey	June 25	Final 2.7%
Powell Duffryn	June 19	Final 11.1%
Racal Electronics	June 30	Final 12.3% ‡
Rand Mines Group	June	Dividends
Rand Selection	June 6	Int. 64
Redland	July 3	Final 11.[illegible]%
Renold	July 1	Final 7%
Rowntree Mntsh.	July 1	Final 12%
Scapa Group	June 27	Final 11.9%
SGB	June 30	Int. 12.3%
[illegible] Engineering	June 25	Final 11%
Streetley	June 17	Final 15.4%
Sidlaw	June 26	Int. 3.1%
*[illegible] Intnl.	June 7	Final 6.9%
Standard Chartered Bk.	July 1	Final 10.8%
Stead and Simpson	June 26	Final 9.6%
Tesco	June 28	Final 21%
Tunnel Hldgs.	June 12	Final 17.4%
UDS	June 12	Final 15%
Union Corpn.	June	Dividends
Ward (T. W.)	June 26	Int. 7.5%
Warren Tea	June 16	Final 7.7%
Wedgwood	May 22	Final 12.9%
Woodhead (Jonas)	June 15	Final 24.2%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Local Authority Investments

Local authority loan rates rose sharply last week in very nervous conditions in the London money market. Speculation about higher interest rates, brought about by the pound's continued weakness, pushed up three-month deposit rates to 11¼-11⅝ per cent. from 10½ per cent. at the end of the previous week.

Trading in British Funds was also very nervous and the Financial Times Government Securities Index finished at 61.32 compared with 62.85 previously.

One-year local authority bonds were placed during the week at par with a coupon of 11⅞ per cent., to offer a yield ⅜ per cent. higher than the previous week's batch.

*Rate (%) May 28, 1976

...days' notice (deposit receipt)	10¼—10½
...days' notice (deposit receipt)	10⅜—10⅝
...days' notice after one month (deposit receipt)	10¾—11
...days' notice after three months (deposit receipt)	11¼—11⅝
...days' notice after six months (deposit receipt)	11¼—11⅞
...rtgage at one month's mutual notice after 11 months	12⅜—12¾
...rtgage at one month's lender notice after 11 months nominal term 2-5 years	n.a.
...years' mortgage	12¾—13†
...years' mortgage	13—13¼†
...years' mortgage	13¼—13½†
...years' mortgage	13½—13¾†
...0 years' mortgage	n.a.
...0 years' mortgage	n.a.

* Rates are for sums not less than £20,000 and are subject to local ...ation and fluctuation. † Nominal. ‡ Shorter periods may attract ...er rates than longer. n.a. Not available.

Record year for Toyota

By Peter Duminy

TOYOTA MOTOR Sales reports ... biggest ever earnings (of ...n.) from record sales of ...on. for the year ended ...ch 31. Earnings were 27 ... cent. up and sales rose 19 ... cent. compared with 1974-75; ...ings were also 7 per cent. ...er than in 1973-74, the com...'s previous best year.

...e company handles all sales ... Toyota Motor, its principal ...holder, which reports to a June year-end. Sales revenue was boosted by increases in domestic prices, in addition to a rise in export volume. Exports were 15.6 per cent. higher at 957,000 units.

Sales in the home market reached 1.4m. vehicles, an increase of 4.3 per cent.

Pre-tax there was a 31 per cent. jump to $122m., giving a small but distinct improvement in profit margins (to 1.8 per cent. from 1.6 per cent.).

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Berry Pacific Fd. US$1	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Birmingham City 13% Red. Stock 1983	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bowring (C.T.) 10% Conv. 1987	118	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Chester Water 8% Red. Pref. 1981	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	East Worcs. Water 8% Red. Pref. 1981	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	FAO 9½% Notes 1981	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Newcastle & Gateshead 9% Red. Pref. 1981	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Royal Bank of Scotland Floating Rate 1983	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Scottish Agric. Secs. 14% Deb. 1993	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sutton Dist. Water 9% Pf. 1981	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Aust. & N.Z. Bank	126pm	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bank of Ireland	293	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bank of Montreal	16pm	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Boddingtons	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bowring (C.T.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Brent Chemicals	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Elliott	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Eva Inds.	68	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Farmer Stedall	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Glynwed	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Greene King	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Heath (C.E.)	417	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	I.C.L.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lesney Products	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lloyd (F.H.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lucas Inds.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lyons (J.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mallinson (Wm.) & Denny Mott	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Portals	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ransome, Hoffman, Pollard	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Rolls-Royce Motors	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Rotork	139	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Selection Trust	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Stadium	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tricentrol	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Trust Houses Forte	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Turner & Newall	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Western Mining	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

INTERNATIONAL COMPANY NEWS

Management re-shuffle at Enka

BY MICHAEL VAN OS

AMSTERDAM, May 31.

ENKA GLANZSTOFF, the troubled chemical fibres subsidiary of Akzo, said in Arnhem that its top management and its organisational structure will be reorganised following the cuts in production and general manpower introduced last year. A statement said that the changes are designed to simplify the organisational structure and "adapt it to the declining growth rate of chemical fibres in Western Europe."

The company added in Arnhem that the proposals for the third phase of the reorganisation programme also meant that the new group management would be transferred from Arnhem to Wuppertal in Germany.

It is added that several Board members will have offices also in Arnhem but that product groups and staff departments will remain in their countries of establishment.

Enka, whose heavy losses last year were largely responsible for the Akzo losses, said that the company's top management would be reduced from eight to five members and several product groups would be combined.

In order to make retrenchment and restructuring of the management structure possible, two Dutch and two German members have offered to resign.

It is interesting that Mr. J. Van Den Driest, who is responsible for the product group Akzo Plastics and Purchasing and, in Holland, for general affairs and social policy, is among them. Mr. Van Den Driest, formerly deputy chairman, and joint "designer" of the new organisation (and who has played an active part in the Enka restructuring), remains a member of the Board of management of Akzo. In this capacity, he will be at the disposal of Enka during the coming period.

On May 6 this year, the Enka parent company, Akzo, said in Amsterdam that the improvement in its operating results for the first quarter was due mainly to the improvement in the chemical fibres sector. At Enka, the scale of loss fell substantially.

● Two German banks, Deutsche Bank and Dresdner Bank, have announced here that they intend this month to apply officially for their shares to be listed on the Amsterdam Stock Exchange. Trading in the shares of the first German bank to be listed here, Commerzbank, started in July 1974.

Better first half for Sony

BY PETER DUMINY

SONY Corporation, by market capitalisation among the biggest half-dozen Japanese companies, had a substantially better first half. Earnings increased by one-third to $34m. on sales that were 15.4 per cent. higher at $558m.

The company says these parent company results are indicative of group figures which will come out in a month's time. Group earnings are "sure to show ... an improvement" ... that is substantially higher than the parent's 33.3 per cent. gain.

The outlook for the parent is also painted in rosy colours. Management looks forward to "a great increase in consolidated net income" for the full year, a statement that it then quantifies by saying the result will be close to the previous best ($70m. in 1972-73).

The company has been in the comfortable position of exporting more at higher prices. Net export revenue was 21 per cent. higher than a year ago at $295m. with exports to the U.S. around half the total. Demand was exceptionally strong in some departments, notable video tape recorders. The company says it can sell more than it is able to make, and is taking steps to increase production substantially.

Television sets also sold well, netting 21 per cent. more than in the corresponding months of 1974-75. Television sales accounted for nearly 36 per cent. of turnover, at $197m.

World Economic Indicators

TRADE STATISTICS

		Apr. '76	Mar. '76	Feb. '76	Apr. '75
U.K. £bn.	Exports	1.949	1.907	1.759	1.366
	Imports	2.204	1.926	2.005	1.655
	Balance	−0.255	0.019	−0.246	0.289
U.S. $m.	Exports	9,393.6	8,955.6	8,800.1	8,647.6
	Imports	9,595.7	9,606.5	8,940.9	7,958.5
	Balance	−202.1	650.9	140.8	689.1
W. Germany DMbn.	Exports	20.8	22.8	19.1	19.7
	Imports	18.5	18.9	16.9	16.9
	Balance	2.3	3.9	2.2	2.8
France Frs.m.	Exports	23,217	23,385	20,996	20,812
	Imports	24,452	24,916	21,735	19,862
	Balance	−1,235	−1,531	−739	950
Japan $m.	Exports	5,240	5,848	4,717	4,739
	Imports	4,510	4,491	4,048	4,094
	Balance	730	1,357	669	645
		Mar. '76	Feb. '76	Jan. '76	Mar. '75
Italy Lire bn.	Exports	2,508	1,880	1,769	1,877
	Imports	3,100	2,338	2,091	2,088
	Balance	−592	−458	−322	−211
Holland Fls.m.*	Exports	8,073	6,585	6,982	5,951
	Imports	7,943	6,410	6,624	6,303
	Balance	130	175	358	−352
Belgium B.Frs.bn.*	Exports	94.637	90.041	99.265	89.479
	Imports	96.398	99.653	100.539	92.424
	Balance	−1.761	−9.612	−1.274	−2.945

* EXCLUDES TRADE BETWEEN HOLLAND, BELGIUM AND LUXEMBOURG.

Money and Exchanges

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Short-term fixed period interest rates rose sharply last week in very nervous conditions, which tended to anticipate an increase in Bank of England Minimum Lending Rate following the continued decline of the pound.

At the Treasury bill tender however the average rate of discount rose by 0.0128 per cent. to 10.9983 per cent. and Minimum Lending Rate was unchanged at 11½ per cent.

Day-to-day credit was in adequate supply on Monday and Wednesday and the authorities did not intervene. Large assistance was given on Tuesday by way of purchases of Treasury bills from the discount houses. A small shortage on Thursday was relieved by official lending overnight to one or two houses. A surplus on Friday was absorbed by very large sales of Treasury bills to the houses and the banks.

Sterling gained ground on Monday and improved by 1.37½ cents against the U.S. dollar to close at $1.7440-1.7450. Trading was very quiet however and business was generally at a very low level throughout the week. The Ascension Day holiday in Europe on Thursday and the holiday in the U.K. and U.S. yesterday had a depressing effect on the level of trade, but after the improvement on Monday sterling was generally weaker on the following days. It fell to $1.7855-1.7865 on Tuesday, and closed at a worst ever finishing level of $1.7715-1.7725 on Wednesday, after touching $1.7690-1.7700 during the day. The pound's trade-weighted depreciation, as calculated by the Bank of England, fell to a record low of 39.2 per cent. on that day.

On Thursday sterling eased to $1.7705-1.7715 in very quiet trading, but on Friday sterling weakened fairly sharply, though the overall level of business remained low. It touched $1.7500 at one point after lunch, but recovered slightly to close at $1.7580-1.7590, a fall of 2.22½ cents on the week. The weighted depreciation finished at an all time worse level of 39.6 per cent.

The U.S. dollar was generally firmer against most other major currencies, helped by the upward trend in U.S. interest rates and a reduction in the U.S. trade deficit during April. Its trade-weighted depreciation, as calculated by Morgan Guaranty of New York, narrowed to 1.14 per cent. from 1.55 per cent.

The Swiss franc continued to improve against all major currencies, including the dollar, however, indicating the present nervous conditions in the foreign exchange market.

May 28 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank Bills ⊕	Fine trade Bills ⊕
Overnight	—	9-9½	—	—	—	11	6½-9½	—	—	—
2 days notice	—	—	10¼-10⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	9¾-10⅝	10½-10⅞	—	—	—	9-9¼	—	—	—
One month	11-10⅞	10⅞-11⅛	10⅞-11	12-11¼	11¼-11½	—	10⅝-10¾	11⅛-10[illegible]	11⅛-11⅜	12½-11¼
Two months	11⅛-11⅛	11⅛-11⅜	—	12-11¼	11¼-11¼	—	10⅝	11⅛-11[illegible]	11⅜-11[illegible]	12½-12
Three months	11[illegible]-11[illegible]	11[illegible]-11[illegible]	11¼-11⅝	12-11¼	11⅝-12	—	10¾-10⅞	11⅛-11[illegible]	11[illegible]-11[illegible]	12½-12
Six months	12-11¾	11¾-12	11½-11⅞	12-11½	11½-12¼	—	—	—	12-11¾	12½
Nine months	12¼-11⅞	12-12⅛	—	12¾-12	12¼-12½	—	—	—	—	—
One year	12½-12	12-12½	[illegible]	[illegible]	12½	—	—	—	—	—
Two years	—	—	—	12¾	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 13-13½ per cent.; four years 13½-13¾ per cent.; five years 13½-13¾ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅛ per cent.; and four-month trade bills 12½ per cent. Approximate selling rate for one-month Treasury bills 10⅛-10½ per cent.; two-month 10½ per cent.; and three-month 10⅞-11 per cent. Approximate selling rate for one-month bank bills 11⅛ per cent.; two-month 11¼ per cent.; and three-month 11⅛-11¼ per cent.; one-month trade bills 12½-11¾ per cent.; two-month 12½-11¾ per cent.; and three-month 12½-11¾ per cent. Finance House Base Rates (published by the Finance Houses Association) 10 per cent. from June 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice 6½-7 per cent. Clearing Bank Base Rate for lending 10½-11 per cent. Treasury Bill average tender rate of discount 10.9983 per cent.

EURO-CURRENCY INTEREST RATES*

May 28 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	½-¾
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	¾-1
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1⅝-1½
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1¾-1⅞
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2½-2⅝
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5-5½

Euro-French deposit rate, two-day 5-6 per cent.; seven-day 6-8 per cent.; one-month 8½-9½ per cent.; three-month 9-10 per cent.; six-month 10-10½ per cent.; one-year 10½-11 per cent.

Long-term Eurodollar deposits: two years 8¼-8½ per cent.; three years 8¾-8⅞ per cent.; four years 8½-8¾ per cent.; five years 8¾-9 per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5⅞-6 per cent.; three months 6¼-6⅜ per cent.; six months 7-7¼ per cent.; one year 7¾-7⅞ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-days' notice for guilders and Swiss francs.

EXCHANGE CROSS-RATES

May 31	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New York	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	n.a.
Amsterdam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

U.S. $ in Montreal. U.S. $ = [illegible] Canadian cents. Canadian $ in New York. [illegible] Sterling in Milan [illegible] n.a. not available.

OTHER MARKETS

Argentina	[illegible]	[illegible]
Australia	[illegible]	[illegible]
Brazil	[illegible]	[illegible]
Finland	[illegible]	[illegible]
Greece	[illegible]	[illegible]
Hong Kong	[illegible]	[illegible]
Iran	[illegible]	[illegible]
Kuwait	[illegible]	[illegible]
Luxembourg	[illegible]	[illegible]
Malaysia	[illegible]	[illegible]
N. Zealand	[illegible]	[illegible]
Saudi Arab.	[illegible]	[illegible]
Singapore	[illegible]	[illegible]
S. Africa	[illegible]	[illegible]
Canada	[illegible]	[illegible]
U.S. cents	[illegible]	[illegible]

Rate given for Argentina is free rate. * Given rates by special dealers. ♦ Rate given is Official Rate. SCRA Rate [illegible].

FOREIGN EXCHANGES

May 28 1976	Bank rate %	Day's Spread	Close
New York	5½	1.7500-1.7750	1.7580-1.7590
Montreal	[illegible]	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]
Copenhagen	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]
Milan	[illegible]	[illegible]	[illegible]
Oslo	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

Rates given are for convertible francs. Financial francs [illegible]. * Base discount. † Given rates. Closing financial franc [illegible].

GOLD MARKET

	May 28	May 27
Gold Bullion (a fine ounce)		
Close	$125½-126¼	$126-126¾
Opening	$126-126½	$126½-127¼
Morning fix'g	$125.25 (£70.675)	$126.40 (£71.191)
Afternoon fix'g	$125.60 (£71.226)	$126.20 (£71.171)
Gold Coins (domestically)		
Krugerrand	$128½-130½ (£73¼-74¼)	$130¼-132¼ (£73½-74½)
New Sov'r'gns	$45½-47½ (£26-27)	$45½-47½ (£25¾-26¾)
Old Sov'r'gns	$43-45 (£24½-25½)	$43¼-45¼ (£24½-25½)
Gold Coins (internat'lly)		
Krugerrand	$129-131 (£73½-74½)	$130¼-132¼ (£73½-74½)
New Sov'r'gns	$45½-47½ (£26-27)	$45½-47½ (£25¾-26¾)
Old Sov'r'gns	$40¼-42¼ (£23-24)	$40-42 (£22¾-23¾)
$20 Eagles	$208-211	$208-211
$10 Eagles	$104-107	$104-107
$5 Eagles	$74-77	$74-77

SPECIAL DRAWING RIGHT RATES

One SDR is equal to	May 28	May 27
Sterling	0.647920	0.644808
U.S. dollar	1.14295	1.14434
Belgian franc	45.5229	n.a.
Deutsche mark	2.96033	n.a.
French franc	5.40120	n.a.
Italian lire	964.490	n.a.
Japanese yen	342.479	342.959
Dutch guilder	3.14191	n.a.
Swedish krone	5.07975	n.a.
Swiss franc	2.81504	n.a.

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

n.a. not available.

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Copenhagen	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Madrid	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

Six-month forward U.S. dollar 4.80-4.90c pm and 12-month 8.35-8.45c pm.

MINING NOTEBOOK

It's crunch time for uranium and gold

BY LODESTAR

THE POST-HOLIDAY period marks a critical time for holders of not only gold shares but also for those in companies which are potential producers of uranium. The nerves of those in the Australian uranium segment are likely in particular to have to remain strong.

As reported here last week, trade union opposition to uranium mining in that country is growing. It has even precipitated a 24-hour national rail strike. Now another hurdle has to be faced. It is not even in Australia. It is in California where a voluntary ballot is being held next week as the first of a series of nation-wide probes to test public opinion about the future of nuclear power in the various States.

The theory, of course, is that if there should be any really violent environmental swing against nuclear energy although it would mean nothing in law it could conceivably have some impact on the future demand for uranium in the U.S. and therefore affect the world market situation, America being such an important factor therein. It could also affect the market in uranium shares particularly such high flyers as Pancontinental the short term downward course of which has been predicted here recently. On Friday however after being lower in Sydney overnight there was a London-inspired jump of [illegible] to [illegible].

Meanwhile, another potential uranium miner in Australia Queensland Mines, whose Nabarlek find first sparked off and then ended one of the country's share outbursts is trying to raise $1.92m. (£1.33m.) by a one-for-three rights issue at par (50 cents) just to provide it with working capital while it patiently soldiers on towards the day when Canberra will see the light and let its uranium mine finders get into the market while the going is good.

According to the chairman, Mr. James Millner, Nabarlek will only then be in a position really to go ahead with the clinching of agreements with prospective uranium purchasers. And he admits, along with everybody else, that the outcome of the Ranger environmental inquiry under Mr. Justice Fox is still a vital element in the whole Australian uranium equation.

This decision is also of considerable interest to holders of Poseidon who have been, anxiously in many cases no doubt, following the slight revival in the price of their shares in recent weeks. In one of the cases that I know, and there may be others, the holder actually paid £120 apiece.

As originally reported here, Poseidon is the project manager for Nabarlek which Mr. Millner says will "provide the skills needed to complete the stages of development through to production." The appointment, he went on, enabled Queensland Mines to proceed quickly to feasibility design and preliminary engineering work which should be completed next month.

Poseidon has some other things going for it from a share market viewpoint. The original Windarra nickel find, now run by Western Mining, could receive a boost if the world price of the metal is further raised by around 10 per cent. which seems a certainty according to reports from the Inco camp. Only the timing is uncertain. In any case it would be unlikely to have any practical effect on producer earnings until next year.

Also Poseidon's Burra copper operation could now actually be getting back into the black. And the suffering Lake View-Kalgoorlie gold field in Western Australia is at least being bailed out by America's Homestake Mining. So it is possible that Poseidon might make a profit in 1977. There will hardly even then be any worth-while p/e ratio. But there never has been. So my spirit of optimism is more to solace long-suffering holders rather than actually to encourage fresh buyers.

Canadian view

Like uranium, gold is also approaching a crunch period in its age-old career with the onset of to-morrow's International Monetary Fund's first auction in the 4-year programme of gold disposals for the alleged benefit of the underdeveloped countries. The bullion price has been wavering nervously in anticipation thereof. But there have certainly been no panic movements. If gold values come out unscathed as they may well do then shareholders in the South African mines can keep their buying boots on full of unprofitable sand though they may now be.

My own views about gold are so full of pros and cons culled from a variety of pre-holiday sources that I am for once not prepared to give any final verdict. But I would like to quote the opinion of Mr. Arthur W. White, president of Canada's Dickenson Mines, who has been in the business for some thirty years.

His verdict when looking at the possible IMF sales aftermath is that the "long-term outlook for gold remains quite rosy so long as governments of the world continue to re-inflate their economies by printing more paper and issuing more debt to satisfy their social services orientated thinking politicians." This is a sentiment that should be well appreciated by U.K. holders of gold shares.

Canuc again

Last week I was writing about Canada's Canuc Mines which has a uranium prospect in the country's main producing area Elliot Lake next door to two major mines run by Denison and Rio Algom. Unfortunately the end of the piece was inadvertently cut off. I had got to the point of the Canus management being quite frank about the fact that it would like a big partner to come in and do the actual mining.

It has appointed New York's Goldman, Sachs and Company and the Nuclear Assurance Corporation of Atlanta to do just that by seeking out major organisations interested in the procurement of uranium and evaluating the various alternatives that may then be open. Canuc reckons that infrastructure costs in the well-established Elliot Lake area would not be high and points out that there are three existing shafts within a mile of the property and four inactive mills within five miles.

It can, of course, be argued that Canuc has yet to prove conclusively that it has a really worth-while mineable deposit. So the shares, 215p in London on Friday, must be considered as very much of a speculation at this early stage although there are intriguing possibilities about which more is likely to be heard in due course.

Murchison

It was on May 10 that I advised taking at least part profits on the shares of South African antimony producer Consolidated Murchison which had previously been recommended here. They were then 920p and have since been down to 780p. On Friday the shares were picking up again, closing at 830p, on talk that the June quarterly report due next month will make a good showing which it should do.

But there is still the fire of the June interim dividend to pass through. This could be a cautious distribution in line with the company's general conservatism although not necessarily undercutting market hopes of a full-year dividend of 200 cents (129p) or more.

London tea sales

At the tea sales held in London last week 46,150 packages sold realised an average price of 75.91p per kilo compared with 78.59p at the previous sale and against 37.37p a year ago. Plain tea was quoted at 73p.

	No. of kilos	Average per kilo
African Highland Prod.	73,379	82p
Assam Company	14,902	80½p
Assam Consolidated	6,579	77p
Assam Dooars	65,767	74p
Attaree Khat	9,190	77½p
Blantyre	95,241	72½p
Borelli	10,067	75p
Central Africa	69,069	73½p
Chulsa	28,723	75p
Dekhari	20,475	81p
Doom Dooma	31,628	77½p
Eastern Assam	14,141	79½p
Hope	27,726	74p
Jorehaut	15,374	76½p
Kanan Devan	10,107	80½p
Kenya T. Company	92,258	84p
Kenya T. Development	122,295	90p
Land Reform	250,432	80½p
Luperi	90,099	80p
Moran	51,857	79½p
Pabbojan	58,208	75½p
Ruo Estates	36,922	72p
Thanai	11,236	77p
Tinari	29,018	79p
Tukuya	55,257	84p
Upper Assam	36,635	77½p

Stocks at May 21 amounting to 48,903 metric tons compared with 68,716 metric tons a year ago. Converted at 45.308 kilos per package.

INSURANCE BASE RATES

† Atlantic Assurance ... 10¾%
Cannon Assurance ... 8¾%

* Address shown under Insurance and Property Bond table.

OVERSEAS MARKETS

Canada mixed in light trading

BY OUR CANADIAN CORRESPONDENT

TORONTO, May 31.

STOCKS were slightly lower even *though the Industrial* list was firming in very light mid-day trading on the Stock Exchange here. While the Industrial Index was 0.07 higher at 190.38, Golds lost 0.51 at 288.83 and Western Oils declined 0.67 to 240.09.

Turnover was light due to the Memorial Day holiday in the U.S. Declines led advances by 124 to 110 overall although the tone was *hesitant*.

Bow Valley Industries was off $1½ to $24⅛, reflecting the sale of its participation in the North Sea Brae Field. **Hawker Siddeley**

New York stock markets were closed yesterday for Memorial Day.

Canada shaded $⅛ to $5⅞ on 21,500 shares to top the list of Industrial actives. It recently had lower first quarter results.

Gainers included **Alcan Aluminium**, up $⅛ to $26⅜ and **Domtar** ahead 25 cents to $22⅞. Volume was 390,359 shares against 1,077,292 on Friday.

In Montreal stocks edged slightly higher in most sectors by contrast although trading was extremely light for the same reasons that were inhibiting the Toronto Stock Exchange. The Composite Index rose 0.54 to 194.67 and the Industrial Index was ahead 0.64 at 201.05.

A *number of Blue Chip* issues made fractional gains. **Canadian Pacific** picked up ⅜ to $17⅜ and **Chrysler** added the same amount to $18½.

Losers included **Denison Mines**, off 75 cents at $59 and **Banque Canadienne National**, down ⅜ to $15⅜. However, Oils were stronger.

At noon, turnover was 175,071 shares against 258,398 on Friday. The Utilities Index gained 0.63 at 143.20 but Banks were 0.43 lower at 248.04.

OTHER MARKETS

PARIS—The market was generally mixed to slightly higher. Prices advanced, following the Wall Street rally, the new OPEC agreement to maintain current oil *prices and the French agreement* to build a new nuclear reactor for South Africa. However, the upward trend was countered by the rise in call money to 7¼ per cent. from 7⅛ per cent. and *anxiety over Capital Gains Tax* discussions in the National Assembly.

Banks and Foodstuffs were higher, while Investment, Electricals Stores, Oils and Chemicals were all mixed. **Peugeot** fell Frs.5 to Frs.297 and **Air Liquide** lost Frs.6 at Frs.361. **Demain** and **Pricel** were also weak spots.

In the foreign sector, Americans, German Oils and Gold Mines were all firmer. **Cie Bancaire, BSN, Gervais, Galeries, Lafayette** and **L'Oreal** all moved ahead.

BRUSSELS—Stocks closed mixed to lower in quiet trading. Leaders to gain were **Traction** up Frs.25, **Sidro, Union Miniere** ahead Frs.12, **Cockerill** Frs.10 higher, **Tessinderlo, Finoutrener** and **Arbed** which spurted ahead Frs.45 to Frs.4,165.

But **Sofina** lost Frs.35, **Hoboken** was Frs.65 lower and **Electrobel** *fell* Frs.80. **Ebes** *lost* Frs.15 and **Vieille Montagne** was down Frs.10. **Asturienne, Clabecq** and **UCB** also all closed lower, the latter slipping Frs.45 to Frs.2,275.

U.S. *stocks* were mixed, with **Dow Chemical** sharply lower. Canadians were mixed to higher, U.K. issues easier, and French, German and Dutch shares all higher.

Gold mines gained significantly. **Petrofina** gained Frs.70 and **American Petrofina** closed slightly higher too. But **La Royale Belge** plunged Frs.260 lower to Frs.4,730.

AMSTERDAM — Shares generally *firmed in quiet conditions.* **Royal Dutch** and **Unilever** scored marked gains in Dutch Internationals. **Hoogovens** lost some ground against the trend, however.

Gains elsewhere were led by **IHC** up Fls.2.1 after a forecast of at least maintained profit. **Van Ommeran** put on Fls.4 at Fls.233 and **Middenstandsbank, Deli** and **HVA** also gained.

Declines were led by **Gist Brocades, Heineken** and **Pakhoed. RSV** lost some ground on the news that the Swiss-Dutch-U.S. consortium in which the company is involved has not been awarded a South African power station contract.

Shares of **Banque Hypothecaire Européene** will be introduced to the Paris bourse on June 15 at a minimum price of Frs.260 per 100 franc nominal share, the Paris Brokers' Association announced.

FRANKFURT—Shares rose on speculative purchases by both domestic and foreign investors following last week's low share levels. Sentiment was aided by the steadier tone on the domestic bond market, the firmer Friday close on Wall Street and the *OPEC oil price freeze decision.*

Daimler, up DM9.20 at DM341, and **Mannesmann**, ahead DM8.5 *at DM377.8 led the gainers. Stores* were very firm especially **Karstadt** up DM7 at DM408. The concern announced higher 1975 net profits. Other advances generally were from DM2 to DM4. **Bayer** *Vereinsbank and Dresdner Bank* both rose.

Domestic bond market prices were mixed although gains predominated. The regulating authorities sold DM12.8m. nominal *(8.5m.) of paper. Foreign mark* loans tended higher.

ZURICH—The market was irregular in light trading, partly influenced by the holiday closures in New York and London. Banks cials **Bally Bearer** and **Registered** edged lower. In irregular Financials fell on profit-taking. **Juvena Bearer** and **Participation Certificate** gained. **Hoffman La Roche** tumbled Frs.750 to Frs.95,250 and **Credit Suisse** was Frs.10 down at Frs.21,600.

Investor interest again *shifted* to lower-priced higher-yielding registered stocks. In Engineerings, **BBC Bearer** closed unchanged on balance.

VIENNA—*The market ruled* generally steady, with Banks preferred stock remaining virtually unchanged. **Semperit** was Sch.5 lower at Sch.170.

MILAN — The market closed generally higher, in less active trading.

Among leading Industrials, **Montedison, Snia Viscosa, Anic, Pirelli, EC** and **Pirelli Spa** all gained. **Fiat** was *L14 lower, however,* and **Italcementi** lost L20.

In Financials, **Bastogi, La Centrale** and **IFI Priv.** all gained. In Banks **Mediobanca** was slightly higher, while in Insurances **Assicurazioni Generali** fell. **Cantoni** put on L140 at L5,270 and **Erba** gained L61 at L2,211. But **Burgo** fell L40 and **Mondadori Priv.** surrendered L20 at L960.

OSLO—Banking and Insurance issues were quiet. Industrials ruled steady and Shippings were firmer. **Norsk Hydro** gained Kr.5.5.

COPENHAGEN—The market *closed higher in active dealings* with the exception of **Bumeister and Wain.**

TOKYO—*The* market closed higher in very active trading with investors welcoming the outcome *of the OPEC meeting in Bali. In* a volume of 230m. shares, the Tokyo SE index closed 1.18 at 345.12.

Major gainers included **Alps Electric Nippon Columbia, EDK Electronics, Toyota Motors, Fuji Photo Film** and **Shiseido.** Fisheries, Textiles, Miscellaneous Industrials and Machineries were generally higher.

Some Constructions, Foods and Shippings eased however.

AUSTRALIA — The Stock markets in Sydney and Melbourne were mixed, with Minings dull, while Retailers, Banks and some others gained following an Australian Commerce Department report on a slow revival of the domestic economy.

Pancontinental gained 90 cents to $A10.2 and **Gold Mines** rose *2 cents. But* ***Kathleen*** *lost a cent* to $A1.35.

Elsewhere, **Bougainville** gained 3 cents to $A1.43, and **CRA, North BH** and **WMC** firmed slightly. **BHP** gained 2 cents to $A1.64, and **Coles** put on a cent at $A1.48. Yet **Grace Brothers** and **Waltons** each lost a cent and **CSR** fell 2 cents ahead of its results later this week.

In the Banking sector, **CBA** gained 3 cents to $A2.85.

Institutions increase holdings in study of U.S. companies

WASHINGTON, May 31.

MUTUAL FUNDS and other large institutional *investors* are increasing their holdings in U.S. corporations according to a new senate study.

The study of 146 companies was conducted *by a* Senate Government operations subcommittee on accounting and management headed by Senator Lee Metcalf.

The study shows bank trust departments, pension funds, mutual funds and insurance companies increased their holdings of the total market value of stock in the 146 companies to over 37 per cent. at end-1974 from 31 per cent. in 1970.

The report also said the true owners of millions of dollars of stocks put into banks for safekeeping are *shielded from* government regulatory agencies.

Pension funds and other institutional investors actually bought stock which is reported to the Securities and Exchange Commission and other regulatory agencies as owned by banks.

The banks did not identify in the survey the true owners, but listed them generally as mutual funds, pension funds college, endowments, foreign banks, insurance companies and corporations.

Metcalf called for more complete public disclosure of the ownership of common stock so the regulatory agencies and stock holders of the *company* can determine who controls these large corporations.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Texaco	395,700	26⅛	−⅛
Marcor Inc.	263,900	37	+1
Dow Chemical	256,100	86⅞	+⅞
Nwst Airlines	248,100	29⅞	+1
Gulf Oil	197,700	25⅛	+⅛
Gen. Motors	188,300	68⅞	−⅝
Am Tel Tel	177,400	54⅞	+⅛
Kresge SS	171,800	35⅛	+⅛
Congoleum Corp.	157,200	15	−⅛
Am Home Prod.	151,100	32⅛	+⅛
Weyerhaeuser Co.	140,700	46⅛	—

AUSTRALIAN WEEKLY LIST

Australian $	May 28	May 21	Australian $	May 28	May 21
Advertiser Newspaper	1.58	1.48	Kiwi Int.	0.92	0.91
Ansett Transport	1.12	1.12	M.L.C.	†3.00	3.25
Assd. Securities	0.47	0.47	Mauri Bros.	0.77	0.81
Aust. Guarantee	‡1.73	1.72	Mayne Nickless	1.74	1.72
Aust. Paper M'nf'g.	1.35	1.34	Nylex Corporation	0.58	0.56
Boral	2.11	†2.12	Olympic Cons.	0.58	0.58
Bramble Inds.	1.57	1.60	Overseas Corporation	1.57	1.57
Burns Philip	2.50	2.39	Petersville	0.28	0.28
Carpenter W.R.	1.58	1.36	Queensland Cement	†1.42	1.45
Castlemaine Perkins	‡3.90	‡4.00	QBE	1.06	†1.05
Coal & Allied	†2.60	2.48	Rocla Industries	1.07	1.02
Commercial Bank	2.85	†2.78	Swan Brewery	1.49	1.48
Commercial Union	‡0.53	0.53	TV Corporation	†3.50	†3.25
Commonw'lth Mining	†2.30	†2.40	Thiess	2.38	2.47
Grace Bros.	2.26	2.26	*Thomas Nat. Trans.*	1.97	1.63
Hardie Asbestos	†4.80	4.81	Tooheys	1.50	1.49
Herald & Weekly	2.04	†2.03	Travelodge	0.35	‡0.38
Humes	1.05	1.04	Woodside Burmah	0.91	0.94

† Buyer. ‡ Seller.

HONG KONG

Hong Kong $	May 28	May 21
Amalgamated Rubber	1.60	1.60
Bowaters	×14.20	×14.20
Cathay Securities	†1.86	1.90
China Light & Power	19.90	19.70
City Hotels	†29.00	30.00
Cosmopolitan Properties	‡1.36	—
Cross Harbour Tunnel	—	—
E. Asia Navigation	4.50	—
Hong Kong Aircraft	†38.25	—
Hongkong Whampoa Docks	9.55	—
Hong Kong Electric	4.17	3.77
Hong Kong Kowloon Wharf	17.30	15.70
Hong Kong Land Invest.	6.95	6.75
Hong Kong Shanghai Bank	18.00	18.00
Hong Kong Shanghai Hotels	11.60	10.40
Hutchison International	2.85	2.62
Indonesia Consolidated	†0.20	—
Inter. Pacific Securities	8.00	7.80
Jardine Matheson	19.60	19.50
Jardine Secs	8.10	7.10
Lombard Insurance	†97.00	—
Rubber	1.58	1.59
Sime Darby	†6.40	6.50
Southn. Pac. Prop	0.70	0.66
Southsea Textile	—	—
Swire Pacific A	8.60	8.10
Textile Alliance	—	—
Textile Corp of Hong Kong	†5.40	5.25
Wheelock Marden	2.225	—
Wheelock Maritime	†3.45	2.15
Winsor Industrial	2.12	1.90
Wynncor	7.00	6.65

† Buyer. ‡ Seller. × nominal. xa ex-all. xd ex-dividend.

SINGAPORE STOCKS

May 28	$	May 28	$
Industrials		Straits Trad'g	†5.10
Bovis	—	Temenggong	†1.40
Boustead Co.	‡1.22	Times Pub. Berhad	3.22
Boustead Bhd.	*3.30	U. Engineers	1.84
Dunlop	—	U. Ov's. Bk.	4.04
Esso	‡1.72	Wearne	2.54
Fraser Neave	5.35	Tractor	3.62
Haw Par	susp	Chemical	4.50
Hume Ind.	1.96	Will'm Jacks.	†1.35
Inchcape	1.97	*Rubbers*	
Jardine	2.63	Batu Lintang	1.10
Malay Brwys.	†6.45	Dunl'p Estate	†1.84
Malay Cemt.	†2.55	Kempas	†2.68
Mal. Tobacco	‡4.38		
Metal Box	tem.sus.	*Tins*	
Ov's Chin. Bk.	8.35	Austral. Am.	†2.50
Pan Electric	2.21	Berjuntai	‡12.20
Robinson Co.	2.02	Kamunting	—
Rothman	2.75	Kramat	—
Shell	—	Kuchai	—
Sime Darby	3.24	Lower Perak	—
Cold Storage	3.28	Petaling Tin	†3.50
Straits Steam	3.56	Sungei Way	—
Straits Times (1975) Ltd.	†3.06	Tongkah Har.	—

* Bid. † Buyer. ‡ Seller.

SPAIN ♥

May 28	Per cent.	
Asland	259	—
Banco Lopez Quesada	594	—
Banco Bilbao	358	+3
Banco Atlantico (1,000)	569	—
Banco Central	349	—
Banesto (250)	529	−3
Banco Exterior	520	+2
Banco General	360	—
Banco Granada (1,000)	452	—
Banco Hispano	497	+5
Banco Iberico	547	+19
Induban	410	—
Banco Ind. Cat. (1,000)	432	−5
Banco Mercantil (1,000)	305	—
Banco Occidental	479	−6
Banco Popular	530	−5
Banco Santander (250)	324	−2
Banco Urquijo (1,000)	409	−1
Banco Vizcaya	635	—
Banco Zaragozano	349	—
Bankunion	364	—
Banus Andalucia	260	—
Altos Hornos	162.50	—
Babcock Wilcox	129	—
CIC	387	—
Dragados	670	−2
Inmobanif	330	—
E. I. Aragonesas	125	—
Espanola Zinc	215	—
Expl. Rio Tinto	275	−6
Fecsa (1,000)	114.50	−3.5
Fenosa (1,000)	115.50	−1
Finanzauto SA	358	+7
Finanzauto Servicios	350	−1
Gal. Preciados	350	—
Grupo Velazquez (400)	246	+3
Hidrola	127.50	−0.50
Iberduero	155.25	+2.25
Motor Iberica	255	—
Olarra	636	—
Papeleras Reunidas	314	+6
Petroliber	258	—
Petroleos	517	−3
Sarrio Papalera	217	+2
Snlace	99	—
Sogefisa	265	—
Telefonica	166	−2
Torras Hostench	380	−3
Tubacex	377	—
Union Elec.	115	+1.50
Union y Fenix	513	+3
Urbis	196	−2

Indices

NEW YORK—DOW JONES

	May 28	May 27	May 26	May 25	May 24	May 21	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	975.23	965.57	968.63	971.69	971.55	990.75	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds	72.20	72.35	72.55	72.55	72.55	72.21	73.60 (22/4)	69.11 (2/1)	—	—
Transport	212.96	211.35	212.02	211.98	214.70	218.75	220.91 (11/5)	175.69 (2/1)	279.89 (7/2/69)	13.23 (8/7/32)
Utilities	85.28	84.33	84.80	84.52	85.54	86.54	91.90 (4/2)	84.80 (26/5)	165.32 (20/4/65)	10.58 (28/4/42)
Tr'ding vol 000's	16,860	15,510	16,750	18,770	16,560	19,750	—	—	—	—

	May 21	May 14	May 7	Year ago (approx.)
Ind. div. yield %	3.80	3.77	3.72	4.61

STANDARD AND POORS

	May 28	May 27	May 26	May 25	May 24	May 21	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	112.68	111.74	111.72	111.91	111.79	116.90	116.67 (24/5)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
†Composite	100.18	99.38	99.54	99.49	99.44	101.26	105.61 (5/4)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	May 27	May 19	May 12	Year ago (approx.)
Ind. div. yield %	3.49	3.42	3.36	3.76
Ind. P/E Ratio	13.42	13.73	13.94	10.30
Long Govt. Bond yield	5.90	5.85	5.79	5.89

N.Y. S.E. ALL COMMON.

May 28	May 27	May 26	May 25	1976 High	1976 Low
53.31	52.89	52.91	52.98	55.20 (5/4/76)	47.06 (2/1/75)

Rises and Falls May 28

Issues Traded—1,790 Up—937
Down—460 Same—395
New Highs—31 New Lows—39

		May 31	May 28	May 27	May 26	1976 High		1976 Low	
MONTREAL	Industrial	—	200.41	199.57	201.26	207.55	(19/5)	176.62	(2/1)
	Combined	—	194.15	193.88	195.29	199.76	(20/5)	173.67	(2/1)
TORONTO	Industrial	—	190.31	190.78	191.81	197.43	(20/2)	173.01	(2/1)
JOHANNESBURG	Gold	(e)	201.2	(e)	195.0	226.7	(12/5)	174.4	(5/4)
	Industrials	(e)	212.4	(e)	212.6	216.0	(21/5)	198.6	(5/4)

	May 31	Previous	1976 High	1976 Low
Australia (a)	467.44	467.60	472.91 (12/5)	440.32 (5/1)
Belgium (b)	99.62	99.68	115.18 (5/2)	99.65 (28/5)
Denmark (d)	107.06	106.60	107.79 (27/1)	100.20 (10/3)
France (e)	67.5	66.1	74.5 (5/3)	65.1 (18/5)
Germany (f)	752.1	759.8	821.1 (17/3)	735.0 (25/5)
Holland (g)	94.6	94.2	105.5 (5/2)	94.1 (25/5)
Hongkong (h)	401.95	381.35	465.33 (17/3)	354.55 (2/1)
Italy (k)	—	76.09	91.57 (25/2)	72.20 (4/5)
Japan§ (m)	345.12	343.94	344.51 (24/5)	326.28 (5/1)
Singapore (n)	255.92	252.61	286.16 (6/2)	236.89 (2/1)
Spain (p)	—	92.50	100.79 (7/5)	85.45 (1/4)
Sweden (q)	458.11	459.16	476.96 (10/5)	395.50 (19/1)
Switz'rl'd (r)	278.5	278.3	296.5 (12/4)	279.3 (25/5)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. * Excluding bonds. * 425 Industrials. † 425 Inds., 50 Utilities and 25 Rails. (e) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1 — 117½% (115½%)

NEW YORK

Stock	May 28	May 27
Abbot Labs.	44½	44⅛
Addressograph	9⅛	9
Corning Glass	70⅝	70
CPC Internat'n'l.	42⅝	42⅜
Crane	31¼	31¼
Crocker Nat.	22⅞	22⅞
Crown Zellerbach	44½	44⅝
John Manville	26⅞	26¾
Johnson Johnson	86¾	85½
Johnson Control.	21½	21¼
Joy Manufactur'g	47¼	44⅞
Reading	1	1
Republic Steel	37⅛	36⅞
Revlon	75	73¾
Reynolds Metals	35¾	35¼
Zenith Radio	32½	32¼
Unite 5¾ 1980	†90	†90
U.S. Treas. 4¾ 1980	†89¼	†89¼
U.S. Treas 4¼ 75/85	†80⅛	†80⅛

GERMANY ♦

May 31	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	92.5	+1.5	—	—
Allianz Versich.	410	+5	17	1.9
B.M.W.	247	+5.2	18	3.8
BASF	161.5	+2.5	14	4.3
Bayer	136	+2.3	17	6.0
Bayer Hypo.	288	−5	20	3.5
Bayer Vereinsbk.	291	−6.5	20	2.9

MILAN

May 31	Price Lire	+ or −	Div. Lire	Yld. %
Assicur. Priv.	610	88	—	—
ANIC	591	+11	60	

AUSTRALIA

May 31	Aust. $	+ or −
...ow Australia	†0.76	......
Adelaide Brighton Cent 50c	†1.15	+0.01
Allied Mnfg-Trdg Indus-$1	†1.80	......
Ampol Exploration	†0.90	......
Ampol Petroleum	†0.06	......
Assoc. Minerals	†3.5	......
Assoc. Pulp Paper $1	†0.86	+0.01
Aust. Con. Industries	†1.65	−0.05
Aust. Foundation Invest.	†0.90	......
A.N.I.	†1.08	......
Aust. Oil & Gas	†0.12	......

CANADA

TOKYO

PARIS

COPENHAGEN

STOCKHOLM

OSLO

VIENNA

AMSTERDAM

BRUSSELS/LUXEMBOURG

SWITZERLAND ●

JOHANNESBURG

CANADIAN WEEKLY LIST

Entertainment Guide

OPERA AND BALLET

THEATRES

CINEMAS

While manufacturing exports have done well since the war, **Kenneth Randall** reports doubts over the future

Australia's industrial exports

MANUFACTURED exports from Australia three years after the end of the second *world war*, were worth around $A50m. (about £36m. at the present exchange rate)—a mere 5 per cent. of total export income. They are now approaching $A2bn. a year in value, and account for 20 per cent. of total exports.

Even after the mental leap necessary to adjust to changed money values, the *export* performance of the manufacturing sector has been impressive, given the post-war base from which it started. Pre-war economic development in Australia depended primarily on *selling* minerals and foodstuffs to Britain in return for manufactures.

Specialist

Goods like iron and steel and expensive items of machinery and electrical equipment account for the greater share of manufactured exports. But hundreds of specialist Australian manufacturers have established markets around the *world without the advantage* of a home market big enough to support them.

W and G Record Processing, of Melbourne, has been exporting slide rules and protractors for 30 years — successfully enough *to win it one of the* latest Australian export awards, sponsored jointly by the Department of Overseas Trade and the Associated Chambers of Manufactures. *Siddons Industries, of* Melbourne, appeared in the same *list of* award winners for its success with spanners, which sell from South-east Asia and the Pacific to South America, Britain, and the Middle East.

The companies are typical of many for whom development would have been impossible without a strong export orientation. *W and G capitalised on skills* developed from necessity during *Australia's relative isolation* during the war years. Siddons did not begin exports until the late 1950s but now sells about 15 per cent. of its production overseas.

Broken Hill has sold its steel to more than 60 countries. The big three car-makers—Ford, Chrysler and General Motors-Holden's—have sold vehicles to *70 countries*. Other Australian manufacturers have sold crankshafts to Detroit and office machinery to Sweden. But many *of the most successful exporters of manufactures have been hit* hard by the combination of international and domestic conditions in the past two years. In the past year, particularly, sales have been falling overall, despite growth in areas like South-east Asia, and the Middle East.

Many previously successful exporters have complained bitterly at the scaling down of various incentive payments for market development under the Labor Government, now defeated. But in the climate of financial stringency it has introduced, the new administration shows little enthusiasm *for an early restoration* of the grants.

With that reservation, the activists of the Department of Overseas Trade have survived, remarkably, unscathed through the Government's various cost-cutting exercises of the past five months. The Department's trade commissioner service has 60 posts in 40 countries on a budget of about $A10m. a year. Another $A5m. will probably go into publicity and pro*motional activities*.

Despite having reduced direct *cash incentives, the Whitlam* Labor Government was responsible for an important innovation with the creation of the Export Finance and Insurance Corporation which came into existence from February 1 of *last year. Taking over the more* narrowly based main functions *of the export payments insurance* corporation, EFIC is providing specialised insurance, guarantee, and financing facilities not normally available from commercial sources.

Against fierce objections from a large section of the business community, a hostile Senate *found no difficulty in burying* the proposed legislation. The general concept survived, however, into the present Government's pre-election policy statement.

For the time being, however, *the Government's single-minded* pursuit of domestic economic policy has pushed many finer *details of its manifesto into low*-priority categories. Some of *them may re-emerge — though* probably only as restatements of principle — in a White Paper promised before the end of this year. But there is the nagging fear, in any event, that incentives, promotion, encouragement, and all the familiar instruments may not be enough — certainly a doubt whether they remain cost effective. Gratify*ing though the number of suc*cess stories may be, there is the question of whether Australian manufacturing generally is up to the rigours of international competition.

The present difficulties have prompted some closer analysis of previous export growth (so *far as available figures allow*). Studies by the Jackson Committee, which prepared last year's Green Paper on policies for manufacturing, showed that the growth in exports between 1968-69 and 1972-73 was nar*rowly based. Basic transforma*tion of rural and mining produce accounted for about two-thirds of the increase in exports. Manufacturing areas accounting for 78 per cent. of the total workforce accounted *for only 20 per cent. of the ex*port growth.

The study brought out the degree of concentration of manufactured exports in a few in*dustries. In 1972-73* meat and abattoir by-products alone accounted for 31 per cent. of total exports of manufactures. The wider statistical group covering food, beverages and tobacco accounted for just under 50 per cent. Another 20 per cent. was attributable to the basic metal products group. Yet these two groups, accounting for some 70 per cent. of manufacturing exports, provided only 23 per cent. of manu*facturing employment*.

The implications of such *figures point back again to the* pressures for a restructuring of manufacturing and, especially, a selective development of genuinely competitive export industries.

The Jackson Committee noted in its report that "*while* Australia has relied almost entirely on trade policies to influence industrial development, many other countries have used public investment or controls on private investment more extensively for this purpose. Government banks or credit institu*tions play an important role in* France, Italy, and Germany. Private investment in Japan is subject to considerable influence, while in Sweden substantial funds are channelled through an obligatory supple*mentary insurance system*."

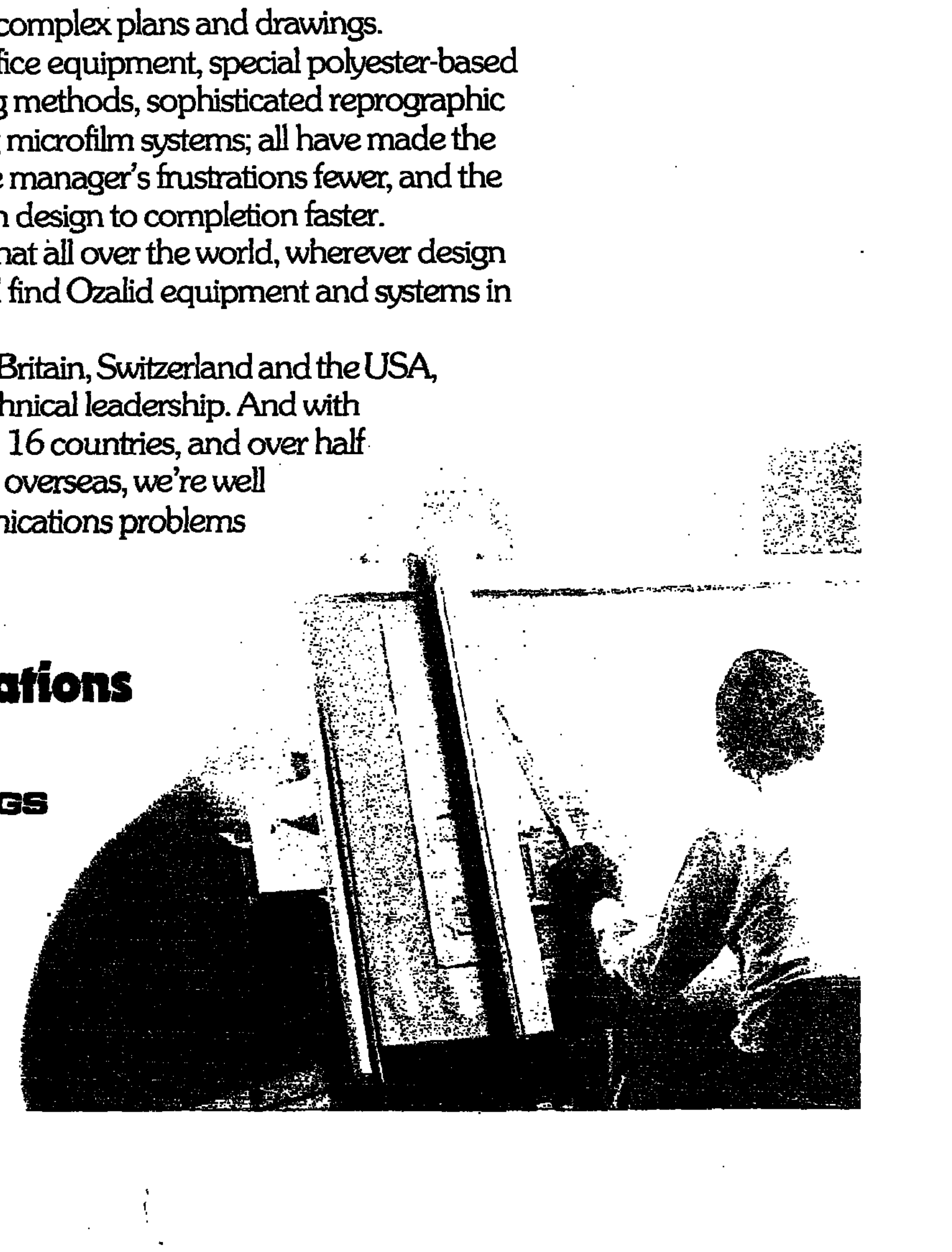
The hint is likely to fall on deaf ears so far as the present fiercely anti-interventionist Government in Australia is concerned. Its alternatives, presumably, will be spelled out in the White Paper later this year.

STRUCTURE OF AUSTRALIAN EXPORTS

(Year to June 30, 1974)

Classification	Per cent.
Food and live animals	31.6
Beverages and tobacco	0.2
Crude materials, inedible except fuels	32.2
Mineral fuels, lubricants, and related materials	6.3
Animal and vegetable oils and fats	0.7
Chemicals	5.7
Machinery and transport equipment	6.5
Other manufactures	13.9
Miscellaneous (including non-merchandise)	3.5

Source: OECD.



INTERNATIONAL COMPANY NEWS + EURO MARKETS

PERNAS/LONDON TIN

Final agreement reached

BY WONG SULONG

KUALA LUMPUR, May 31.

FINAL AGREEMENT has been reached for the Malaysian Government-sponsored Pernas Organisation to take over control of London Tin, reliable sources disclosed to-day.

The sources added that the final obstacle—Haw Par's 30 per cent. stake in London Tin—has been cleared away, and Haw Par has agreed to sell its shares to the new subsidiary company to be formed by Pernas Securities and Charter Consolidated.

However, it is not known what terms have been offered to Haw Par. But Pernas Securities' chairman, Inche Junus Sudin, will be in London next week to sign the agreement and to announce details of the deal.

It is understood that under the arrangement, the transfer of London Tin to the joint Pernas-Charter company will be carried out in two stages.

In the first stage a "mirror company" would be set up. London Tin shares would then be exchanged by their holders for shares in this "mirror company" on a one-for-one basis.

Next, a second company, New Tradewinds, would buy the shares of the mirror company under terms outlined by the London Takeover Panel. Under the terms, U.K. shareholders are expected to receive value equal to 197½p per share.

It is understood that Pernas Securities has raised 115m. Ringgits (about £25m.) from the banks for the whole exercise. Malaysian sources said the transfer of domicile of London Tin to Kuala Lumpur is expected to be completed by the end of the year.

The sources said Charter Consolidated and Haw Par have shown considerable goodwill and understanding in Pernas' desire to participate in the Malaysian tin industry. Much of the talks had been spent tailoring the agreement to meet the rules of both the London Takeover Panel and the Singapore Stock Exchange.

The Pernas takeover is of considerable political and economic significance to the image of Tengku Razaligh, the finance minister, a strong prime ministerial aspirant, and comes at an appropriate time, since the ruling assembly is meeting in a month's time.

Tengku Razaligh, 39, former Pernas Securities chairman, has been in the forefront of the Government's efforts to secure 30 per cent. of the modern corporate sector of the Malaysian economy for the Malays by 1990. At present, Malays own less than 5 per cent.

The deal gives the Malays a commanding position in the tin industry, which right up till now has been almost totally non-Malay owned.

Pernas' involvement in London Tin will solve the biggest problem—insecurity of land tenure—facing its associated mining companies in Malaysia.

Eurobond conference

BY MARY CAMPBELL, RECENTLY IN STOCKHOLM

WHETHER BECAUSE the Eurobond market has had a good year or because much preliminary sifting had been accomplished at the regional level under the two-tier structure which has now been in full operation for the past year the annual general meeting of the Association of International Bond Dealers (AIBD) in Stockholm got through its business more placidly than usual.

All the Board's proposals for changes in rules and statutes were adopted without amendment (with the exception of the proposed changes in rules 406 and 446 which were withdrawn by the Board as impracticable before being put to the vote). The AGM agreed to set up a permanent secretariat for the AIBD in Zurich.

Satisfactory profits for 'Weser'

BY GUY HAWTIN

FRANKFURT May 31.

PROFITS OF Aktien-Gesellschaft "Weser" (86 per cent. owned by Krupp) were satisfactory last year considering the continuing downturn in demand for very large vessels. Orders in hand are still sufficient to guarantee employment levels in both of the group's yards into the first quarter of 1978, but the rate of bookings in 1975 has declined heavily compared with previous years.

Net profits last year totalled DM0.6m. after value adjustments and provisions for extraordinary risks. This compares with DM21.9m. in 1974 and DM27.5m. in 1973. Turnover last year advanced from the previous year's DM738.9m. to DM848.7m. (£184.5m.) and was well ahead of 1973's DM799.8m.

Last year the concern delivered 11 vessels, including the Europa tanker which was close to completion at the end of the year. "Weser" accounted for nearly 26 per cent. of the Federal Republic's total shipbuilding tonnage last year.

Orders last year totalled only DM715.4m. compared with DM962.7m. the previous year and nearly DM1.02bn. in 1973. The overall order book, however, held up well and at the end of the year stood at DM2.22bn. compared with DM2.36bn. at the end of 1974 and DM2.13bn. at the end of 1973. But by April orders had declined to DM2.12bn.

This was by no means a poor performance considering the deeply depressed state of the shipping industry and the relatively high rate of shipbuilding order cancellations. "Weser" added that the gap between the supply of world shipping tonnage and actual demand widened further in 1975, spurred by increased tonnage on offer and the world recession which had cut oil transport demand by 10.7 per cent.

Nippon Steel net profits decline

TOKYO, May 31.

NIPPON STEEL Corporation has announced after-tax profits for the year ended March 31, of Yen14.52bn. (Yen29.9bn.). Gross sales were Yen2,101bn. (Yen2,287bn.) and the dividend at Yen5 is unchanged.

Nippon Steel suffered declines in both revenue and net income, mainly because of slow demand both at home and abroad, vice-president Takeo Fujiki told a Press conference.

In particular, he noted a sizeable decline of 51.4 per cent in net income.

Nippon produced 32.2m. tonnes of steel products in terms of crude steel in the fiscal year, down 12.5 per cent. from 36.9m. tonnes a year ago, he said.

A steel price increase of Yen9,800 a tonne was insufficient to cover losses in domestic sales, Fujiki said.

Exports in the same year declined 10.5 per cent. to 8.69m. tonnes from 9.72m. sold in the previous fiscal year.

Average export values also fell $60 to $242 a tonne from the year-ago average, he said.

Nippon Steel had to cover heavy losses in operating profits by selling stocks totalling Yen39.1bn., he said.

A 10 per cent. dividend, the same as the year-ago level, was just maintained for the fiscal year, he said.

Fujiki said it is very difficult to forecast results for the current fiscal year to March 31, 1977.

Reuter

Caltex takeover

THE COMPLETION of the takeover of Caltex Oil's assets in India is proceeding and will soon be finalised.

Once talks with Caltex are concluded, the Indian Government is expected to start discussions on the takeover of Assam Oil, a subsidiary of Burmah Oil and may also consider taking over control of the jointly-owned Oil India in which it currently has a 50 per cent. stake.

The pattern of the Caltex takeover will be on the lines of the takeover of the Burmah-Shell's Indian assets. Caltex has a 1.25m. tonnes per annum refinery at Visakhapatnam as well as a marketing organisation in the country and currently makes spot purchases of crude for its refinery on behalf of the Indian Government.

Reuter

PUK losses

PECHINEY Ugine Kuhlman has revealed a net 1975 consolidated loss of Frs.159.1m. (profit Frs.743.5m.). Consolidated cash flow was Frs.399.4m. (Frs.1.8bn.). Net consolidated assets per share were Frs.232.8 (Frs.268.5).

Large West German contracts in E. Europe

BY GUY HAWTIN

FRANKFURT, May 31.

THE WEST Germans to-day announced two massive deals in Eastern Europe. The total value of the orders—one from the Soviet Union and the other from the German Democratic Republic—is expected to exceed DM2.5bn. (£543.5m.).

Under the terms of the largest contract, the AEG subsidiary AEG-Kanis will combine with Mannesmann Export to supply the Russians with 17 gas turbine compressor stations for the natural gas pipeline from Orenburg to Chust. The orders stemming from the contract are estimated to be worth more than DM1.5bn. (£326m.).

The smaller of the two deals has been concluded between Hoechst, the leading West German chemical concern, and the DDR Industrieanlagen Gesellschaft. The contract, put at about DM1bn. (£217.4m.), involves the supply of three chemical plants for the manufacture of PVC.

According to to-day's announcement the AEG-Kanis/Mannesmann Export contract covers the provision of a main pumping station with 11 gas turbine compressor units, while the remaining 16 stations will each have seven compressors.

It appears that the orders were won in the face of stiff international competition. The West German consortium's partner on the Soviet side is the buying enterprise V/O machinoimport which two years ago awarded an order for 10 gas turbine pipeline stations to a consortium led by the U.S. concern General Electric, of which the two German concerns were members.

Hoechst had been negotiating its order with the East Germans for some time. A year ago it was announced that the chemical group—one of the Federal Republic's "big three" was on the threshold of a technology and "know-how" deal aimed at reinforcing the DDR's already powerful chemical industry.

However the size of the contract is far greater than the DM600m. (£130m.) originally envisaged, although the broad specifications appear unchanged. Hoechst will supply a chlorine plant of 200,000 tonnes annual capacity, a vinyl chloride plant also of 200,000 tonnes a year and a 100,000 tonnes a year polyvinylchloride plant.

Montedison turnover gains

MILAN, May 31.

MONTEDISON group turnover rose 29 per cent. to Lire 1,437bn. in the first four months of 1976 compared with the same 1975 period, Montedison president Eugenio Cefis said in a report to shareholders.

However, he said this was insufficient to correct the loss-making performance of the group as a whole.

Cefis said rising costs such as dearer raw materials, labour bills and financial charges incurred in borrowing all accompanied the turnover increase.

Major Italian fibre and textiles subsidiaries such as Montefibre Spa are still in deficit, yet the parent company showed a net improvement in profitability in March and April after a difficult start to the year, he said.

In contrast, Montedison's foreign associates have been generally profitable in the first four months of 1976, Cefis added.

Cefis gave a sector-by-sector breakdown of the group sales performance for the first four months of 1976, compared with the same period of last year.

Base petrochemicals were up 51.2 per cent., partly due to the general rise in chemical prices. Plastics were up 54 per cent., due to increased volume and higher prices, while agricultural products were down 19.7 per cent., with weak international demand for fertilisers.

Products for industry were 29.2 per cent up in the period, pharmaceuticals 29.3 per cent. higher, textile fibres up 31.7 per cent., retail store chains up 12.4 per cent., with turnover reduced among financial associates and satisfactory among insurance and banking offshoots, he said.

Reuter

Boehringer recovery

C. H. BOEHRINGER Sohn, the Ingelheim-based pharmaceutical group, reported a fall of 20 per cent. in real earnings in 1975, writes Guy Hawtin. The concern announced that 1975's after-tax earnings totalled only DM40m. despite a 12.5 per cent. sales growth which brought world turnover to over DM2.03bn.

The group explained that 1974's profits had been boosted by the exceptional conditions prevailing before the 1975 recession. Last year's decline had been brought about primarily through a heavy increase in costs—particularly personnel costs—reduced profit margins from overseas as a result of currency fluctuations and substantially higher tax burden.

However, the outlook for the current year is optimistic, according to to-day's report. Earnings in the first four months of the year are 15 per cent. up on the previous year's level.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

German [illegible] E. Europ[illegible]

FRANKFURT, [illegible]

the remaining 16 [illegible] each have seven [illegible]

It appears that the [illegible] won in the face of stif[illegible] tional competition. T[illegible] German consortium's [illegible] the Soviet side is the [illegible] enterprise V/O mach[illegible] which two years ago [illegible] order for 10 gas turbin[illegible] stations to a consortiu[illegible] the U.S. concern Gen[illegible] tric, of which the two [illegible] concerns were member[illegible]

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[illegible]turnover g[illegible]

MILAN, [illegible]

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Boehringer recov[illegible]

C. H. BOEHRINGER S[illegible] Ingelheim-based pharm[illegible] group, reported a fall [illegible] cent. in real earnings [illegible] writes Guy Hawtin. The [illegible] announced that 1975 [illegible] earnings totalled only [illegible] despite a 12.5 per cent [illegible] growth which brough[illegible] turnover to over DM[illegible]

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However, the outlook [illegible] current year is [illegible] according to to-day's [illegible] Earnings in the first [illegible] months of the year are [illegible] cent. up on the previous [illegible] level.

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

						IRISH		
						Conv. 9% '80/82	£85¼	......
[illegible]bany Inv. 20p	19	......	Higsons Brew.	97	......	Alliance Gas	65	......
[illegible]sh Spinning	34	......	I.O.M. Stm. £1	138	......	Arnott	225	......
[illegible]erlam	26	......	Holt (Jos.) 25p	235	......	Carroll (P.J.)	115	+3
[illegible]dg'wtr. Est. 50p	138	-7	Kleen-e-Ze	21	......	Clondalkin	44	......
[illegible]over Croft	30	......	Lovell's Ship £1	110	......	Concrete Prods.	99	......
[illegible]dbrag & Rose £1	350	......	N'thn. Goldsmith	88	......	Helton (Hldgs.)	28	......
[illegible]son (R.A.)	18	......	P.M.A.	43	+1	Ind. News	41	......
[illegible]lis & McHdy.	69	......	Pearce (C. H.)	80	......	Ins. Corp.	160	......
[illegible]ans Fr'k 10p.	23	......	Peel Mills	14	......	Irish Distillers.	55	......
[illegible]ored	10	......	Robb Caledon Sh.	38	......	Irish Glass	33	......
[illegible]le Forge	45	......	Sayers 12½p	13	......	Irish Ropes	116	......
[illegible]nlay Pkg. 5p	16½	......	Sheffield Brick	86	......	Jacob	61	......
[illegible]ost & Reed 50p	152	......	Sheff. Refrshmt.	140	......	Sunbeam	11	......
[illegible]aig Ship. £1	315	......	Shiloh Spinn.	24	......	T.M.G.	185	......
[illegible]lliam Sleigh 10p	8	......	Sindall (Wm.)	52	......	Unidare	70	......

BASE LENDING RATES

Allied Irish Banks Ltd.	10½%	C. Hoare & Co.	†10½%
American Express Bank	10½%	Julian S. Hodge	11½%
Anglo-Portuguese Bank	11 %	Hongkong & Shanghai	10½%
Henry Ansbacher	11½%	Industrial Bank of Scot.	9½%
Banco de Bilbao	11 %	Keyser Ullmann	11 %
Banco de Jerez	10½%	Knowsley & Co. Ltd.	12½%
Bank of Cyprus	11 %	Lloyds Bank	10½%
Bank of N.S.W.	10½%	London & European	11 %
Banque du Rhone S.A.	11½%	London Mercantile	11½%
Barclays Bank	10½%	Midland Bank	10½%
Barnett Christie Ltd.	12 %	■ Samuel Montagu	10½%
Bremar Holdings Ltd.	11½%	■ Morgan Grenfell	10½%
Brit. Bank of Mid. East	10½%	National Westminster	11 %
■ Brown Shipley	11 %	Northern Comm. Trust	11 %
Canada Permanent AFI	11 %	Norwich General Trust	11 %
Cayzer, Bowater Co. Ltd.	11 %	Portman Guaranty	9½%
Cedar Holdings	11 %	P. S. Refson & Co.	10½%
■ Charterhouse Japhet	11 %	Rossminster Accept'cs.	11 %
C. E. Coates	11 %	Schlesinger Limited	11 %
Consolidated Credits	11 %	E. S. Schwab	12 %
Co-operative Bank	*10½%	Security Trust Co. Ltd.	12 %
Corinthian Securities	11 %	Shenley Trust	12½%
Credit Lyonnais	10½%	Standard Chartered	10½%
G. R. Dawes	11½%	Trade Development Bk.	10½%
Duboff Brothers	11 %	Twentieth Century Bk.	12½%
Duncan Lawrie	10½%	United Bank of Kuwait	10½%
English Transcont.	11 %	Whiteaway Laidlaw	11½%
First London Secs.	11 %	Williams & Glyn's	10½%
■ Antony Gibbs	11 %	Yorkshire Bank	10½%
Goode Durrant Trust	10 %		
Greyhound Guaranty	11 %		
Grindlays Bank	‡10½%		
■ Guinness Mahon	10½%		
■ Hambros Bank	11 %		
Hawtin & Partners	13 %		
■ Hill Samuel	§11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7¼% and over £25,000 7½%.
§ Demand deposits 8½%.
‡ Call deposits over £1,000 6½%.

FINANCIAL TIMES STOCK INDICES

	May 28	May 27	May 26	May 25	May 24	May 21	A year ago
Government Secs.	61.32	61.29	61.96	62.62	62.30	62.85	57.84
Fixed Interest	61.64	61.75	62.27	62.58	62.54	63.22	57.96
Industrial Ordinary	380.4	381.2	390.5	399.0	397.4	401.6	345.1
Gold Mines	173.3	177.6	164.4	157.9	161.5	162.8	429.0
Ord. Div. Yield	5.66	5.65	5.53	5.42	5.50	5.37	6.04
Earnings Yld % (full)	16.09	15.25	15.89	15.58	15.81	15.45	18.00
P/E Ratio (net)	9.21	9.08	9.27	9.47	9.33	9.55	7.88
Dealings marked	6,938	7,317	6,963	6,372	6,838	6,493	6,340
Equity turnover £m.	—	65.24	50.25	41.92	48.48	55.01	77.35
Equity bargains total	—	17,914	17,214	17,275	16,387	16,527	19,414

10 a.m. 383.5. 11 a.m. 381.1. Noon 378.2. 1 p.m. 375.9.
2 p.m. 375.9. 3 p.m. 377.5.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.13.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 (2/2/76)	59.73 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	380.4 (28/5/76)	545.6 (13/6/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	140.1 (5/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	May 28	May 27
Daily—		
Gilt-Edged	185.4	191.6
Industrials	249.9	264.5
Speculative	62.5	66.4
Totals	157.9	166.5
5-day Av'r'ge.		
Gilt-Edged	129.9	184.9
Industrials	247.6	245.0
Speculative	60.2	56.5
Totals	156.7	154.7

FT—ACTUARIES INDICES

	May 28	May 27	May 26	May 25	May 24	May 21	A year ago
[illegible]dustrial Group	150.14	152.11	156.01	158.16	158.14	160.36	135.38
[illegible]0 Shares	168.87	170.67	174.75	177.18	177.13	179.62	147.43
[illegible]iv. Yield p.c.	5.80	5.75	5.60	5.52	5.52	5.43	5.95
[illegible]E Ratio (net)	10.27	10.30	10.49	10.65	10.64	10.83	7.21
[illegible]l Shares	157.82	159.57	163.54	165.98	165.65	167.84	145.51
[illegible]nsols Yield p.c.	14.19	14.16	13.97	13.77	13.87	13.66	14.95

PORTUGAL'S PRESIDENTIALS

Otelo brings out the red carnations

BY PAUL ELLMAN IN OPORTO

THE barman sniffed at the Left-wingers clamouring for attention at the wayside hall. "Just look *at their hands, they don't look* like workers to me," he commented to his partner as the customers cried "Fascist, Fascist."

Otelo Saraiva de Carvalho's Presidential special had trundled into town on its journey to Oporto from Lisbon carrying the one-time folk hero of the Portuguese revolution and a thousand of his supporters on the first outing of his election campaign.

Harry Truman's whistle stop it was not. Neither was it Trotsky's train. The free beer and sandwiches made it more like a Marxist outing to Blackpool in wake's week.

As the silver train, festooned with red flags and posters of the candidate sped across the countryside, chants of "Otelo, Otelo" caused workers in the arid fields to lift their heads and brandish hoes in salute. Portuguese politics seemed for a moment to have recaptured the verve that marked the early stages after April 25, 1974.

Otelo is clearly not going to let anyone forget that it was he who co-ordinated the military uprising on that date which ended 50 years of dictatorship.

By implication, November 25, 1975, the date on which the leading contender in the Presidential campaign, Army Chief General Ramalho Eanes crushed the left is made to look like an historical *footnote*.

Dressed in a body-hugging light blue sports shirt, Otelo spoke as though the dream which had momentarily united the left-wing alliance of the people with the armed forces with the aim of by-passing the institutional artefacts of "bourgeois democracy"—was still alive.

The crowds, who might be forgiven for asking why he buckled under so easily on November 25, seemed eager to hear the old-time religion after six months of party manoeuvrings. Security guards cursed and struck at throngs on station platforms pressing forward withposies of red carnations, the flower which symbolises April 25.

Otelo . . . a comeback?

Otelo, who had to get special permission from army authorities to run for the Presidency (he is under investigation for his alleged part in the November 25 rebellion), clearly enjoyed every minute of it.

"God dammit, he did it. He kissed the day," one American newsman travelling on the train *shouted excitedly*.

The arrival in Oporto, where police were guarding the bridge over the river Douro against threats that the train would never reach its destination, was a triumphant progress. Old ladies dressed in black brandished clenched fists from the shanties on the outskirts of the city, and thousands of leftists filled the central railway station with tumultuous chants of "people's power."

Some 20,000 people jammed the city's main square to hear the Major speak. How many from conviction and how many from lack of anything else to do it was impossible to tell.

Oporto on a Saturday night hardly swings: (Waiter to customers who ask for a menu): "There's only chicken." Leaves them to stare at an indescribably dirty tablecloth for half an hour before returning to ask: "Well, what'll it be, gents."

Otelo comes on near midnight, to put on a theatrical show from a self-confessed actor manque. Straight away he launches into the old themes—the bourgeoisie is back in business, real democracy has not yet been established and national independence not yet installed.

He flays the U.S. and West Germany, the two countries which are currently keeping Portugal from insolvency, in terms which make the old-fashioned gnomes of Zurich look like gentle herbivores in comparison.

Attacking the terms of foreign aid to Portugal, he produces a theory of balance of payments deficits which finance ministers elsewhere might care to note. Official figures, according to the Major, "prove that we're funnelling more money into the developed countries than they're giving us."

Oporto once greeted Otelo (then a brigadier in charge of the internal security command Copcon) with eggs. This time it took him in its stride and the rally broke up peacefully.

General Ramalho Eanes was meanwhile telling a local newspaper that, if Otelo won the presidency on June 27, he would leave the country.

Israel economy criticised

By L. Daniel

JERUSALEM, May 31.

THE GOVERNOR of the Bank of Israel, Moshe Zanbar, to-day launched an attack on the Government's economic policy which has already been sharply criticised by other leading personalities. Speculation and a spate of reports of impending economic measures have created a climate of uncertainty which last week led to a sharp drop in sales of government bonds and over the past few months a marked increase in consumer spending on all kinds of household items in fear of further dramatic price rises.

Mr. Zanbar called for a cut in government expenditure instead of new taxation. He thought that inflation would be greater than the government envisaged. Devaluations were meant to offset the effects of Israel's higher inflation rate, but if this rate could be cut from the average 40 per cent. per annum to 10 per cent. then there would be less need for currency adjustments. He again called for the linkage of the Israeli pound to a basketful of currencies rather than to the dollar alone since this would eliminate the frequent devaluation and give greater flexibility to government policies.

The governor said there was no improvement in the balance of payments in 1975. Adjusted figures showed that the gap had soared to the astronomical sum of \$4.1bn.

Juan Carlos on visit to the United States

BY ROGER MATTHEWS

MADRID, June 1.

KING JUAN CARLOS of Spain, accompanied by Queen Sofia, to-morrow begin the first-ever visit by a ruling Spanish monarch to the U.S., an event that is being heralded here as of major political significance.

The Royal couple left Madrid this morning for a 36-hour visit to the Dominican Republic from where they will fly to Washington. During his stay in the U.S., the king will address a joint session of Congress and hold talks with President Ford *and Dr. Henry Kissinger*.

The American Government is one of the king's most enthusiastic supporters and transferred to him the 24 years of co-operation it had enjoyed with the regime of General Francisco Franco. But with the accession of the monarchy, the U.S. has been able to be more overtly behind the regime, and especially its plans to introduce a form of democracy while still banning the communist party.

The king's last official act before leaving Madrid was to take the salute at the annual military parade which celebrates the victory of General Franco's forces over the republic during the Civil War. Attempts by the Government to get the name changed to the "day of the armed forces" were quashed by the military.

Similarly, an announcement by Senor Jose-Maria de Areilza, the Foreign Minister, that Juan Carlos would continue to exercise the functions of Head of State during his trip has been defeated. This role will be assumed, according to the constitution, by the three-man Council of the Regency which went into recession this evening.

The insistence of the military in not changing the name of the Victory Parade has come in for strong criticism from the underground movement of diffident officers. They considered the decision served to perpetuate former divisions in Spain which after 37 years should be on the *road to solution, led, they hoped,* by the head of state.

With the entry into force to-day of the new law offering greater freedom of meeting and demonstration there has been an immediate rash of applications from Left-wing groups. One of the principal illegal labour organisations, the Workers' Com*missions, has announced it will* hold a three-day congress in Madrid at the end of the month, while several political parties are planning similar sessions. The Workers' Commission is also to issue one million bonds at Pts 25 each to help finance the organisation.

In several parts of the country there have been signs of increasing labour difficulties, with the police breaking up a workers' demonstration in Central Madrid this morning and clashing with construction workers in the northern town of Santander where 13,000 men have been on strike for the past five days.

'Bias of education system' attacked

BY ANTHONY HARRIS

THE BRITISH educational system, and especially the anti-vocational bias of universities, is an important cause of Britain's industrial decline, says Professor G. C. Allen in a pamphlet published to-day by the Institute of *Economic Affairs*.

"Teachers, journalists, broadcasters and others who have done most to form opinion have been educated with few contacts with the country's industrial life," he says.

The public schools failed to provide men equipped to run the country's industries, and the universities had a strong bias against training people for non-academic careers while in Europe and the U.S., vocational training was held to be a proper function of a university.

He points to a sharp contrast between the British class system and the elitism of such countries as France. "The former rests on status, the latter increasingly on performance."

Prof. Allen catalogues a long list of policy mistakes made by an inappropriately trained civil *service, and also draws attention* to trade union resistance to technical change.

For a more prosperous future, Britain should reform her educational system, and Government economic policy should rest less on intervention and more on incentives.

Governments taking an active role in industry would always be an easy prey for pressure groups defending out-of-date interests, he adds.

The British Disease. Hobart Paper 67. £1.00, from I.E.A. 2 Lord North Street, London SW1

After the adjournment

BUSINESS for the first week after the Adjournment announced by Mr. Michael Foot, Leader of the Commons, was as follows:—

MONDAY, June 7—Remaining stages of the Police Bill; remaining stages of the Education (Scotland) Bill (Lords); Lords Amendments to the Crofting Reform *(Scotland) Bill and to the* Freshwater and Salmon Fisheries (Scotland) Bill. Industrial Relations (Northern Ireland) Order.

TUESDAY AND WEDNESDAY—Remaining stages of the Aircraft and Shipbuilding Industries Bill.

THURSDAY—Remaining stages of the Education Bill.

FRIDAY—Remaining stages of the Fair Employment (Northern Ireland) Bill Northern Ireland Orders on Animals and Births and Deaths Registration.

IN BRIEF

Honda enters light commercial market

Honda, the Japanese motor-cycle and car manufacturer, is going into the light commercial market *in the U.K. for the first time with* the launch of a 354-c.c. pick-up and panel van.

The TN360 series is designed for urban delivery work and Honda claims that its new "micro-commercials" are capable of 50 m.p.g. on city stop-go delivery work using two-star petrol. The pick-up will be £999, and the van £1,140, both excluding VAT.

£20m. complex

A London-based international consortium has proposed a £20m. commercial and leisure complex in Glasgow with facilities for trading, exhibitions, conferences, sporting events and craft pursuits.

Health body

A joint committee has been set up by the Chemical Industries Association and the unions to deal with health and safety matters.

Sports car surge

Production of MGB and Midget sports cars in the first nine months of the present model-year has exceeded the total produced in the whole of the previous year. According to British Leyland its plant at Abingdon, Berks., has produced 28,023 units for the American market since the beginning of last September, *compared* with 27,191 units in the year September, 1974 to end of August, 1975.

Wedding present

A Suffolk firm has won an order to provide two pairs of binoculars as wedding presents from the Royal Navy to His Majesty King Carl Gustav of Sweden and his bride. The binoculars, from Hepplewhite Marine, of Great Cornard, incorporate a compass—an exclusive design to the company—and sell at a retail price of £65.33.

APPOINTMENTS

Matthew Hall Group executive posts

Mr. B. E. Burns, Mr. A. H. J. Hoskins and Mr. M. J. Holliday have been made deputy managing directors of MATTHEW HALL AND CO. Mr. D. E. Clancey, while continuing as chairman of Matthew Hall Engineering, has ceased to be chief executive and Mr. P. L. Waite, its managing director, now becomes *chief* executive in addition. Mr. B. E. Burns, although remaining chairman of Matthew Hall Mechanical Services is no longer chief executive, a post now filled by Mr. A. R. Brown, its managing director. Mr. M. J. Holliday remains non-executive chairman of Holliday Hall and Co. and Mr. C. D. Watson, its managing *director,* continues as chief executive. Mr. A. H. J. Hoskins continues as chairman of Matthew Hall Group Services, but Mr. R. D. Stonely is now managing director and chief executive of that company.

★

Mr. H. J. A. Johnson has been appointed to the Board of TUBE INVESTMENTS as technical director. In this newly created post he takes over the technical functions in TI previously carried out by Sir James Menter, who has given up his position as director of research and development on his appointment as principal of Queen Mary College, University of London. Mr. Johnson, who was previously manufacturing director of TI's steel tube division, joined the group as a management trainee in 1951.

★

Mr. R. A. Brooks and Mr. G. D. A. Klijnstra have been appointed directors of the COMMERCIAL UNION ASSURANCE COMPANY.

★

Mr. D. A. Macrae, regional director at Cardiff for George Wimpey and Co.'s South Wales region, has been appointed managing director of AL FUTTAIM WIMPEY, Dubai, which operates *throughout the United Arab* Emirates. Mr. R. O. Evans has been appointed regional manager at Cardiff following Mr. Macrae's promotion. Dr. T. K. Hsieh, chief *designer in the civil design and* planning department, has been appointed a director of Wimpey Laboratories to deal with advisory and development functions.

★

Mr. N. H. T. Bennett has resigned from the Board of the BRITISH BANK OF THE MIDDLE EAST on his retirement from the Hongkong and Shanghai Banking Corporation.

★

Mr. Bernard Itzcovitz is leaving the partnership of SIMON AND COATES, stockbrokers, on June 30 by mutual agreement to take up an appointment with W. E. Hutton and Co., the London subsidiary of Thomson and McKinnon Auchincloss Kohlmeyer Inc., members of the New York Stock Exchange.

★

Mr. J. E. Bardwell has resigned from the Board of FIRST NATIONAL FINANCE CORPORATION.

★

Mr. R. V. Jones has been appointed group financial controller of VICKERS. He joined the company as group treasurer in 1974 from British Aircraft Corporation, guided weapons division.

★

★

Mr. D. W. Page has been appointed director and controller of the automotive component distribution division of GKN FASTENER AND HARDWARE *DISTRIBUTORS.* Mr. Page was previously divisional director, home development division, of GKN Servotomic. Mr. C. J. Ayrton has been appointed general manager of GKN-Spa. Mr. Ayrton was previously sales director. He is also director, car accessories, of the automotive component distribution division.

★

Mr. Patrick O'Sullivan has been appointed marketing director of the household products division of JOHNSON WAX. An Australian, he joins the company from Johnson Australia, where he was marketing manager.

★

Mr. R. R. Crowl has resigned as a "B" director of ROAN *CONSOLIDATED MINES and* Mr. John F. Frawley has been appointed in his stead.

★

The following Board appointments have been made in A. E. TURBINE COMPONENTS which, together with Cannon and Stokes, forms the turbine components division of the Associated Engineering Group. Mr. A. G. McMahon becomes director and general manager of turbine blade machining for the division. Mr. P. G. Waite is made director and general manager of the precision casting facility of the division.

★

Mr. Charles G. Strasser (chairman and managing director of Photopia International) has been elected *president* of the North Staffs Branch of the INSTITUTE OF MARKETING in succession to Lord Stafford.

★

Mr. R. L. Whiting has been appointed a director of C. TENNANT, SONS AND CO. in place of Mr. B. C. Ryan, whose resignation resulted from his appointment as managing director of Consolidated Gold Fields Australia.

★

Mr. Allen Dawson has been appointed sales director of LCA PIPELINES.

★

Mr. John L. Roach has been *appointed technical* director of POWELL DUFFRYN ENGINEERING. He was previously chief engineer.

★

Mr. Geoffrey John, managing director of Spillers Foods, has been elected chairman of the PET FOOD MANUFACTURERS ASSOCIATION.

★

Mr. John A. Arnold has been appointed a director of Tennant Trading (Metals) and finance director of TENNANT TRADING.

★

Mr. T. S. Mallinson has been appointed chairman and Mr. J. Lenanton vice-chairman of the TIMBER RESEARCH AND DEVELOPMENT ASSOCIATION.

★

Mr. Geoffrey Digby has been appointed aviation underwriter of SPHERE DRAKE (UNDERWRITING).

★

Mr. N. D. Norman, who has been appointed a director of BRIDPORT-GUNDRY, was one of the joint founders of Britten-Norman.

★

Mr. Ian Hamilton McCorquodale has been appointed a director of the MOORSIDE TRUST.

★

Mr. E. A. Nixon has left the company and is no longer a member of the Board of HAROLD INGRAM.

★

Mr. J. C. Speers and Mr. M. D. H. Hill have been appointed directors, and Mr. P. Hepburn an assistant director, of CHANDLER HARGREAVES WHITTALL *(AVIATION), insurance brokers,* from July 1.

★

Mr. R. W. Hindmarch has been appointed to the Board of DIAL CONTRACTS and becomes marketing director. He was previously leasing and rental sales manager for Ford of Britain.

★

Mr. Stephen J. Popovics has been appointed a director of BREMAR HOLDINGS, bankers. He joined their Brazilian operations last year after experience in international finance and investment banking.

★

Mr. Tony Howitt of Peat, Marwick, Mitchell and Co., has been appointed chairman of the MANAGEMENT CONSULTANTS ASSOCIATION and Mr. Michael Hicks-Beach, of P-E Consulting Group, vice-Chairman.

★

JOHN WARING GROUP. Mr. Don Wright becomes marketing director of John Waring (Sleaford) and of John Waring (Feeds), and accountant Mr. Peter Thorpe joins the Boards of the same two companies as financial director.

★

Mr. J. H. Hingston, chief accountant, has been appointed to the Board of JOHN KELLY.

★

Dr. D. A. J. Randall, managing director of the Miln Marsters Group, is the new chairman of the BRITISH ASSOCIATION OF PLANT BREEDERS.

★

Mr. Michael Yarnall has been appointed commercial director of WALSALL CONDUITS. Mr. Yarnall has previously held the positions of chief accountant, secretary and commercial manager during his eight years with the company. He succeeds Mr. F. R. Bishop, who has retired. Mr. Bishop was commercial director of Walsall Conduits for seven years and worked for the company for 39 years.

★

Mr. Albert Branscombe has *been appointed financial director* of ASSOCIATED FISHERIES (RESTAURANTS).

★

MARDON PACKAGING GROUP. Mr. Arthur Latty, managing director of Thomas Forman and Sons, has retired and has been succeeded by Mr. Robert Illingworth, previously managing director of Mardon Illingworth.

★

ROCKWARE GROUP. Mr. L. Keith Barratt has been appointed director of industrial relations. He joins Rockware from Rank Xerox, where he was personnel manager. Mr. George M. Boyle, previously assistant manager at the Edinburgh office of Peat, Marwick, Mitchell and Co., has been made group accountant. Mr. R. Colin Millar has been appointed finance director, Rockware Glass. He is currently financial controller of Honeywell, and takes up his new post on June 7.

★

Mr. K. G. Beckington has been appointed marketing and sales director of AEROSOLS INTERNATIONAL, part of the Jeyes Group. He joins the company from Glynwed Plastics, where he was marketing director.

★

Mr. G. R. A. Andrews has been appointed deputy general manager, and Mr. A. N. Ferguson, secretary, of MOSCOW NARODNY BANK.

مكتامن الأصل

CONFERENCE REPORTS

Mulley heckled over 'jobless teachers'

TEACHERS cannot be exempted from harsh economic realities and the unemployment crisis, Mr. Fred Mulley, Education Minister, said at Buxton, Derbyshire. At the same time, the National Association of Head Teachers warned the Government that children's education must not be endangered by education cuts.

Mr. Mulley's speech—at the annual conference of the National Association of Teachers in Further and Higher Education at the week-end—was interrupted several times.

Leaflets were handed out at the door to delegates by students who are occupying local colleges of education.

It was a personal and social tragedy for any young man or woman that they would not be able to find a job in their chosen career immediately after training, Mr. Mulley went on.

But it was equally true for other students, such as architects, chemists and engineers—many as highly vocationally trained as teachers.

"I cannot accept that anyone should be unemployed if it is reasonably possible to avoid it. But it must be understood that for these reasons it is simply impossible to exempt teachers from the harsh economic realities which affect us all."

Mr. Mulley was speaking in a week in which students in 93 of the country's 140 teacher training colleges have staged protest occupations over unemployment.

They fear that as many as 15,000 out of the 40,000 who will leave college this summer will go straight on the dole queue.

On teacher-training reorganisation, Mr. Mulley denied that colleges were to be closed. He had "made no recommendations on college closures" to the advisory committee on the supply and training of teachers meeting next week.

After his speech, Mr. Mulley said he had "every sympathy" with young teachers facing unemployment.

Problem

"If they can't get a job in teaching, they will have to find a job in something else and hope for something later on. It is a problem in every sector of employment."

Mr. Jack Taylor, joint president of the National Association of Teachers in Further and Higher Education, told the conference that teachers should take a united stand against the many threats to the education service and standards.

These threats included redundancy among teachers and unemployment among students.

At the Head Teachers' conference at Worthing, Sussex, one executive member, Mr. Mike Brighouse, said: "This country should get its priorities right."

The conference passed unanimously an emergency resolution by its national council approving action taken so far against the economies and urging opposition to further proposed cuts.

"We cannot stand by and see the education of our children put in danger," Mr. Brighouse went on. Penny-pinching would affect industry to-morrow.

The Government had a responsibility to newly trained jobless teachers. "Surely, the Government must accept some responsibility for finding them jobs."

Co-ops given 'divi' warning

BY ELINOR GOODMAN

A WARNING that co-operative retail societies could be failing to make adequate provision for the redemption of dividend trading stamps was given yesterday by Mr. J. H. Perrow, chairman of the co-operative societies' central executive.

Speaking at the annual congress in Margate, Mr. Perrow said that at a time of tight profit margins, societies should not fix the rate of stamp issue without taking due regard for the need to finance investment and maintain reserves.

The blue dividend stamps, which are used by 170 of the Co-op's 221 retail societies, were introduced as an alternative to the old dividend distribution scheme in the late 1960s.

They enabled societies to give customers a lower rate of dividend than before and thus maintain more money for investment.

But whereas societies used to be able to gear the rate of dividend to the level of profit made during the previous year, dividend stamps are given to shoppers at the time of purchase.

This means that societies have to fix the rate of stamp issue before knowing the level of profit.

The central executive is worried that retail societies may now be over-extending themselves.

In its annual report, the executive says there is real concern that an over-commitment could perpetuate the difficulties which the traditional dividend system had experienced towards the end.

Societies, it says, should be aware of the factors which can increase their stamp liability, and their ability to meet that commitment as well as the need to retain far more money than before for investment.

An increase in the rate of value-added tax, for example, can lead to an increase in the number of stamps issued without resulting in an increase in profit.

One building union urged

A CALL for one union, to end squabbles in the construction industry, was made by Mr. Herbert Wilkinson, president of the Union of Construction, Allied Trades and Technicians.

He told delegates at the union's annual conference in Scarborough that improved services to members, and wide member-participation in union affairs would reduce the turnover of members and give opportunities for expansion.

This could be achieved not only through recruitment of non-union labour, but through mergers with smaller construction unions.

"I think that we can now go a long way towards achieving the goal of one union for construction industry workers, and overcome the problem of inter-union competition.

"In this way we can pursue the real job of fighting the employer rather than squabbling among ourselves."

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
15F	15A	Treasury 6½pc 1976‡‡	99	9.1	6.57	10.91
1M	1S	Victory 4pc 1976‡‡	98⅝	26.1	4.04	—
14J	14D	Treasury 10½pc 1976‡‡	99⅝xd	10.5	10.54	11.26
10S	10M	Treasury 6¼pc 1977‡‡	96⅜	2.2	6.48	11.19
15S	15M	Electric 3pc 74-77	95	9.2	3.16	9.71
26M	26S	Treasury 11¼pc 77‡‡	99½	16.3	11.52	11.56
15M	15N	Treasury 3pc 77‡‡	93⅛xd	6.4	3.21	7.79
20J	20D	Transport 4pc 72-77	94xd	16.5	4.25	8.20
15S	15M	Treasury 9pc 1978‡‡	95¼	9.2	9.40	11.65
14J	14Ju	Treasury 10¼pc 78‡‡	97⅞	8.12	10.73	11.64
26M	26S	Exchequer 5pc 76-78‡‡	91½	18.2	5.48	9.31
9S	9M	Treasury 11½pc 79‡‡	98¾	2.2	11.65	12.01
17M	17S	Treasury 3pc 79‡‡	85⅝	9.2	3.50	8.94
26M	26S	Electric 4½pc 74-79	86⅝	18.2	4.91	8.98
1M	1N	Treasury 10½pc 79‡‡	95⅞	25.3	10.95	11.97
15M	15N	Electric 3½pc 76-79	85⅝	8.4	4.09	8.37
3S	3M	Treasury 9pc 1980‡‡	91¾	25.1	9.81	11.76
14N	14M	Treasury 9½pc 80‡‡	92¼	7.4	10.30	12.01
15D	15J	Treasury 3½pc 77-80	84xd	10.5	4.17	8.24
15D	15J	Funding 5¼pc 78-80‡‡	87xd	10.5	6.03	9.18
15J	15Ja	Treasury 11½pc 1981	97¾	9.12	11.77	12.14
15A	15F	Treasury 3½pc 1979-81	80	9.1	4.37	8.76
1O	1A	Treasury 9¾pc 1981‡‡●	91⅜	—	10.67	12.14
		Five to Fifteen Years				
15J	15J	Treasury 8¾pc 80-82‡‡	90	9.12	9.79	11.76
17M	17S	Treasury 12pc 1983‡‡	100	9.2	12.31	12.54
15J	15J	Funding 5½pc '82-84‡‡	78	9.12	7.24	10.09
10J	10J	Treasury 8½pc '84-86‡‡	84⅜	4.12	10.49	11.74
1M	1N	Funding 6½pc '85-87‡‡	68½	25.3	9.56	11.79
26J	26J	Treasury 7¾pc '85-88‡‡	74½	22.12	10.79	12.37
1J	1J	Transport 3pc '78-88	47xd	25.5	6.35	11.00
15A	15O	Treasury 5pc '86-89	53½	9.7	9.46	12.25
15J	15J	Treasury 13pc 1990‡‡	99⅝	—	13.76	13.90
15J	15D	Treasury 8¼pc 87-90‡‡	68¾xd	10.5	11.94	13.13
5A	5O	Funding 5¾pc '87-91‡‡	53⅞	1.7	10.85	12.95
		Over Fifteen Years				
22J	22J	Treasury 12¾pc 92‡‡	96¼	16.12	13.91	14.06
14J	14J	Treasury 12½pc '93‡‡	94¼	6.12	13.97	14.14
14J	14J	Treas 12½pc '93 'A'‡‡	93¾	—	13.97	14.14
15M	15S	Funding 6pc 1993‡‡	52	9.2	11.83	13.36
17M	17N	Treasury 9pc 94‡‡	68⅝	12.4	13.18	13.77
1M	1N	Gas 3pc 90-95	32¾	25.3	9.23	12.23
15M	15N	Treasury 12¾pc '95‡‡	91½	8.4	14.06	14.16
15M	15S	Treasury 9pc 92-96‡‡	69	9.2	13.41	13.91
1A	1O	Redemption 3pc 1986-96	32¾	24.2	9.30	11.92
22J	22J	Treasury 13¾pc 97‡‡	98¼	16.12	14.17	14.21
22J	22J	Do 13¾pc '97 'A'‡‡	95⅞	—	14.19	14.29
1M	1S	Treasury 8¾pc 1997‡‡	66⅞	26.1	13.53	13.96
1M	1N	Treasury 6¾pc 95-98‡‡	51⅞	25.3	13.16	13.86
15J	15J	Treasury 9½pc 1999‡‡	72¾	9.12	13.73	14.02
14J	14J	Funding 3½pc 99-04	29⅞	6.12	12.48	13.39
5A	5O	Treasury 8pc 02-06‡‡	58⅞	1.3	13.66	14.03
10M	10S	Treasury 5½pc '08-12‡‡	41½	2.2	13.79	13.93
26J	26J	Treasury 7¾pc '12-15‡‡	57⅞	22.12	14.04	14.09
		Undated				
1F	1A	Consols 4pc	28⅞	29.12	14.52	—
1J	1D	War Loan 3½pc‡‡	25¼xd	26.4	13.86	—
1A	1O	Conv. 3½pc '61 Aft.	26⅝	24.2	13.44	—
5A	5O	Treasury 3pc '66 Aft.	20⅞	1.3	14.70	—
5J.A.J.O.		Consols 2½pc	18	1.3	14.19	—
1A	1O	Treasury 2½pc	17½	24.2	14.65	—

**INTERNATIONAL BANK

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
31J	31J	5pc Stock 1976	99¼	2.1	8.06	11.58
15F	15A	5pc Stock 77-82	72	16.1	7.08	11.77

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 47¼% (based on $1.7250 per £)

Conversion factor 0.6784 (0.6867)

CANADIANS

Dividends Paid	Stock	£	Last xd	Div. Gross	Cvr	Y'ld Gr's
Ma.S.J.D.	Bk. Montreal $2	13¼	29.4	$1.00	—	4.4
F.My.Au.N.	Bk. Nova Scot. $2	34¾	30.3	$1.60	—	2.6
A.Jy.O.Ja.	Bell Canada 25c	40	12.3	$3.44	—	4.9
May Nov	Bow Valley‖	23½	10.5	10c	—	0.3
O.Ja.Ap.Jy.	Brascan‖	900	26.2	$1.00	—	6.2
F.My.Au.N.	Can. Imp. Bk. $2	25½	29.3	$1.28	—	3.1
July Jan.	Can. Pacific $5	14¾	22.3	84½c	—	3.3
July Jan.	Do 4pc Deb. £100	27½xd	17.2	4%	—	14.7
J.Ap.Jy.O.	Gulf Oil Can.‖	26⅞xd	24.5	$1.00	—	2.1
Ap.Jy.O.Ja.	Hawker Sid. Can.‖	525p	17.3	56c	—	3.9
F.My.Au.N.	Hollinger $5	£30½	26.4	$1.80	—	3.5
Apr. Oct.	Hudson's Bay‖	16¾	22.3	60c	—	2.0
Jan. July	Hud. B. Oil G. $2½	£31⅛	25.3	$1.40	—	2.6
Mr.Je.S.D.	Imperial Oil‖	20½	31.3	80c	—	2.2
Mr.Je.S.D.	Inco	27	26.4	$1.40	—	2.9
F.My.Au.N.	Int. Nat. Gas $1	765p	4.2	80c	—	5.5
Mr.Je.S.D.	Massey Ferg.‖	21½	20.3	$1.00	—	2.6
June Dec.	Pacific Pet. $1	26⅞	8.3	80c	—	1.7
—	Place Gas $1	28½pd	—	—	—	—
June Dec.	Rio Algom	26¼xd	14	$1.00	—	2.1
M.Je.S.D.	Royal Bk. Can. $2	24⅝	22.4	$1.28	—	2.9
Se.De.Mr.Ju.	Seagram Co. C$1	21¾	24.5	80c	—	2.1
F.My.Au.N.	Tor. Dom. Bk. $1	15¼	30.3	70c	—	2.5
J.Ap.Jy.O.	Trans Can. Pipe 35¾c	990p	29.3	88c	—	5.1
Mar. Sept.	White Pass	750pd	15.3	435c	—	2.7

S.E. List Premium 47¼% (based on $1.7250 per £)

BANKS AND HIRE PURCHASE

Dividends Paid		Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's	P/E
Aug.	Mar.	Alexanders D. £1	205	26.1	11.67	—	8.8	—
May	Aug.	Algemene Fl. 100	£92	12.8	Q21%	ϕ	4.1	ϕ
Oct.	June	Allen Harvey £1	370	8.3	25.0	—	10.4	—
Dec.	June	Allied Irish	104xd	17.5	Q6.89	—	6.6	—
April		Anglo Cont'al	41	3.73	—	—	—	16.5
Jan.	July	Arbuthnot L. £1	165	9.2	†7.61	—	7.1	—
July	Jan.	Aust. & N.Z. £1	463	3.5	†10.01	—	3.3	—
[illegible]		[illegible]						

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

مكتبة من الأصل

مكتبة الأصل

INDUSTRIALS—Continued

INSURANCE

PROPERTY—Continued

TRUSTS—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OILS

OVERSEAS TRADERS

MINES—Continued

FAR WEST RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
Feb. Aug.	Blyvoor 25	490	12.12	‡Q100c	1.3	‡
Feb. Aug.	Buffels R1	£10½	12.12	Q180c	1.4	10.2
—	Deelkraal R0.20	142	—	—	—	—
Feb. Aug.	Doornfontein R1	415	29.12	‡Q110c	1.4	‡
Aug. Feb.	East Drie R1	790	29.12	Q75c	1.7	5.6
—	Elandsrand Gld 20c	195	—	—	—	
Feb. Aug.	Elsburg R1	135	12.12	Q33.8c	1.0	14.8
Feb. Aug.	Hartebeest R1	£13¼	12.12	Q215c	1.4	9.3
Feb. Aug.	Kloof Gold R1	480	29.12	Q55c	1.4	6.8
Feb. Aug.	Libanon R1	450	29.12	‡Q110c	1.9	‡
—	Southvaal 50c	540	29.12	Q8c	1.3	0.9
Aug. Feb.	Stilfontein 50c	195	12.12	Q36c	2.2	7.9
Aug. Feb.	Vaal Reefs 50c	£15¼	29.12	Q175c	2.1	6.6
Feb. Aug.	Venterspost R1	205	29.12	‡Q70c	1.9	‡
Feb. Aug.	W. Drie R1	£25	29.12	‡Q495c	1.2	‡
Dec. Aug.	Western Areas R1	220	12.12	Q52c	1.4	14.7
Feb. Aug.	Western Deep R2	£10	29.12	Q117½c	1.6	5.8
Feb. Aug.	Zandpan R1	235	12.12	Q35½c	1.0	9.0

O.F.S.

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
Sept.	Free State Dev. 50c	110	26.1	Q14c	1.6	7.5
May Nov.	F.S. Geduld 50c	£14½	22.3	‡Q330c	1.3	‡
—	F.S. Saaiplaas R1	170	22.9	Z6c	ф	2.1
May Oct.	Harmony 50c	390	22.3	Q65c	ф	9.9
Nov.	Loraine R1	125	22.9	Q6c	0.5	2.8
May Nov.	Pres. Brand 50c	£13	22.3	‡Q250c	1.3	‡
May Nov.	Pres. Steyn 50c	800	22.3	‡Q125c	2.2	‡
May Nov.	St. Helena R1	£15¼	5.4	‡Q250c	1.2	‡
—	Unisel	123	—	—	—	—
May Nov.	Welkom 50c	265	22.3	‡Q55c	1.7	‡
May Nov.	W. Holdings 50c	£17¼	22.3	‡Q475c	1.2	‡

FINANCE

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
—	Ang. Am. Coal 50c	460	5.3	‡Q38c	2.8	4.9
May Nov.	Ang. Amer. 10c	296	22.3	Q35c	1.9	6.6
Mar. Aug.	Ang. Am. Gold R1	£22¼	3.2	Q260c	ф	6.8

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
—	Burma Mines 17½p	9	19.5	0.1	ф	1.8
—	Charterhall 5p	26	3.67	—	—	—
Aug. Feb.	Cons. Murch. 10c	330	12.12	Q80c	1.8	5.7
—	Laurasia	44	—	—	—	—
July	Northgate C$1	355	27.3	Q25c	0.3	3.7
Jan. June	R.T.Z.	216	3.5	5.42	2.1	3.9
—	Sabina Inds. C$1	64	—	—	—	—
—	Tara Exptn. $1	£13½	—	—	—	—
—	Yukon Cons. C$1	132	11.65	—	—	—

RUBBERS AND SISALS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
July Dec.	Anglo-Indones'n	50	5.5	2.5	2.4	7.7
Sept.	Bertam Cons. 10p	41	8.9	1.51	1.2	5.7
—	Bird (Africa)	6½	7.64	—	—	—
August	Bradwall 10p	70	30.6	2.21	ф	5.0
July Feb.	Castlefield 10p	91	29.12	2.06	3.2	3.5
November	Chersonese 10p	27	22.9	1.13	ф	6.7
December	Cons. Plants 10p	63	5.4	†5.0	0.8	7.1
Jan. May	Gadek Malay 10p	35	—	—	—	—
May Dec.	Golden Hope 10p	62½	3.5	†1.97	3.5	4.8
August	Grand Central 10p	6	1.12	d0.5	1.7	14.0
Apr. July	Guthrie £1	185	26.1	‡b11.0	0.8	‡
Feb. July	Highlands M50c	44	—	‡1.45	1.1	‡
Sept. May	Kuala Kepong M$1	40	23.2	†Q10c	1.2	4.4
Jan. July	Kulim 50c	29	—	†1.36	1.6	7.2
Jan. June	Ldn. Asiatic 10p	55½	17.5	2.3	ф	6.3
October	Ldn. Sumatra	39½	11.8	1.1	1.6	4.3
Nov. July	Malakoff M$1	35	—	—	—	—
May Nov.	Malayalam 10p	7¼	5.4	20.7	ф	14.9
November	Muar River 10p	52½	20.10	1.41	1.7	4.1
Nov. May	Pataling 10p	55	22.3	2.23	1.5	6.2
Feb. Aug.	Plantation Hldgs. 10p	37	1.12	1.77	ф	7.6
March	Sungei Krian £1	£10⅛	8.3	32.31	1.7	4.9

TEAS

India and Bangladesh

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
December	Assam Dooars £1	112	17.11	7.74	5.6	10.6
January	Assam Frontier £1	111	17.11	7.15	4.2	9.3
Sept.	Assam Invs. £1	50	11.8	†3.3	5.3	10.8
Aug. Dec.	British Indian £1	150	5.4	5.0	2.0	5.1
July	Cessnock £1	85	14.3	—	ф	—
August	Cons. Tea&Land £1	85	22.3	ϕ4.87	b4.3	8.8
—	Empire Plants 10p	5¾	12.72	0.65	4.1	19.0
November	Jokai £1	126	17.11	7.15	4.6	8.7
January	Longbourne £1	80	12.12	3.5	6.5	6.7
January	McLeod Russell £1	150	1.12	5.97	b3.1	6.0
Jan. June	Moran £1	100	20.9	†5.76	6.1	8.9
August	Singlo Hldgs. 10p	7	12.12	0.78	2.1	17.1
July	Teith Hldgs. £1	105	22.3	ϕ2.03	b8.4	3.0
April	Warren Tea £1	94	26.1	g6.43	1.6	10.5
July	West Nile Hlds. £1	105	22.3	ϕ3.36	b4.1	4.9
July	Williamson £1	80	22.8	4.5	5.6	8.7

Sri Lanka

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
December	Central Province	9½	21.4	0.94	ф	16.0
September	Clarmace 10p	41	22.3	6.0	ф	22.5
July	Lunuva £1	53	30.6	2.95	0.7	9.1
April	Tea Corporation	6	10.63	0.55	5.4	14.0

Africa

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
May Nov.	Bandanga Hldgs.	40	7.4	g3.17	2.4	12.7
April	Blantyre £1	188	5.5	15.27	ф	13.6
April	Peacock Sasmi 10p	44xd	17.5	ϕ2.74	ф	9.6
Aug. Jan.	Ruo Estates	37	5.4	3.95	2.8	16.0

MINES

CENTRAL RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
Aug. Feb.	Durban Deep R1	500	30.6	Q20c	5.5	2.4
Aug. Feb.	East Rand Prp. R1	300	12.12	Q35c	5.1	6.8
—	Rand Leases 2½c	22	6.58	—	—	—
—	Randfont'n Est. R2	£18¼	12.70	—	—	—
Aug. Feb.	West Rand R1	290	12.12	Q10c	2.2	2.0

EASTERN RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
May Nov.	Bracken R1	100	5.4	‡Q52c	1.0	‡
February	Daggafontein 50c	64	17.2	‡Q52c	1.0	‡
Aug. Feb.	East Dagga R1	28	12.74	—	—	—
Aug. Feb.	Grootvlei Areas 5c	140	6.10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ф Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1975 profits.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

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FINANCIAL TIMES
Tuesday June 1 1976

Kaufman in Europe Airbus talks

BY ROBERT MAUTHNER

TALKS on the possibility of full British participation in the European Airbus consortium will be held in Paris this week between Mr. Gerald Kaufman, Minister of State at the Department of Industry, his French opposite number, and leading members of the French aircraft industry.

The British Minister is clearly anxious to persuade the French that the planed nationalisation of the British aircraft industry has not undermined the Government's desire to participate in major colaborative projects with other European countries.

He visited the headquarters in Toulouse of Aerospatiale, the French partner in Concorde and the European Airbus, to-day, and is due to meet Gen. Jacques Mitterrand, the chairman of Aerospatiale, to-morrow night, and M. Marcel Cavaille, the French Transport Minister, on Wednesday.

A note of urgency has been added to Mr. Kaufman's talks in Paris by the advanced state *of negotiations between French* and American aircraft-manufacturers on future co-operation, not only on construction of a modified version of the A-300 Airbus, but on airliners being planned in the U.S., such as the Boeing 7N7, a stretched model of the 737, *and the bigger Boeing 7x7* programme.

Britain, as became clear after talks in London earlier this month between Lord Beswick, chairman of the British Aerospace Organising Committee, and Gen. Mitterrand, is prepared to *become a full member of the* Airbus Industrie consortium if the right terms can be agreed.

It now remains to be seen whether the *French* are willing to accept the British demand for a major part in the design, development and production of the *proposed B-10 short-range* version, and other derivatives of the Airbus, and how British and French plans for joint projects with Boeing or McDonnell Douglas of the U.S. can be married.

He told the Financial Times to-night that he thought the French were extremely interested in extending their co-operation with the British aircraft industry. But he did not expect any final decision during his visit to France.

Devolution: Scots elections a test for Government

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE first test of public opinion since the Government announced increased powers for the proposed Scottish Assembly comes to-day with five local council by-elections in Scotland.

Most *interesting* of the contests is in the Darnley ward of Glasgow, where a seemingly safe Labour seat is threatened by the Scottish National Party and the breakaway Scottish Labour Party, whose intervention for the first time against an official party candidate is being studiously ignored by the Government, which is only too pleased to have two SLP MPs taking the Labour whip in the Commons.

The MPs, Mr. Jim Sillars and Mr. John Robertson, wrote to the Prime Minister yesterday telling him that they would not hesitate to vote against the Government, even though that might mean its *downfall*, if there were any further cuts in public expenditure.

Poll shock

Darnley ward makes up a third of the Pollock Parliamentary constituency, which gave a shock to Labour in 1967 when a large SNP vote allowed the Conservatives to take a solid Labour seat at a by-election. The ward's seat on Glasgow District Council has been vacant since the imprisonment of Labour councillor Mr. Gordon Kane for false expenses claims.

The Nationalists are in high spirits after their annual conference in Motherwell, which ended at the week-end. Mid-term disaffection with the Government with Labour voters expressing themselves in the traditional manner by staying at home, could give the SNP a tremendous propaganda boost.

Over the past few months the SNP has been conducting a quiet, yet forceful, campaign to convince voters that independence is not the bogey that Labour and Conservative Unionists have tried to make it.

Posters and 300,000 leaflets pushed through doors have countered the image of barbed wire and customs posts with one of Scotland as a responsible, comfortable republic, part of the Commonwealth and acknowledging the Queen as Head of State.

To back this, the party needs a strong commitment among its activists, who provide the door-step link with the electorate, to the moderate line which accepts that the SNP will work within any assembly the Government sets up to use it as a stepping stone to independence.

That unity was almost shattered at the closing session of the conference on Saturday when a resolution from the leadership encapsulating the gradualist theme was strongly challenged with an amendment which sought to delete all reference to an assembly and assert baldly that nothing short of independence would do.

In silence

Mr. George Reid, MP for Clackmanan and East Sterling, was heard in almost respectful silence during an afternoon when every speaker who said the word "independence" with enough vigour was given a standing ovation. Mr. Reid counselled caution: people's expectations should not be raised too high: the next General Election might not result in a majority of Scottish seats for the SNP: the devolution Bill might not get through Parliament; independence might still be a fair way off.

Mr. Douglas Henderson, MP for East Aberdeenshire, followed it with a tub-thumping, anti-English speech designed more to leave the conference in high spirits than to settle the serious argument about tactics. He got his standing ovation by asking: "Do you want an election?" and "Will you win?"—and then angered his Parliamentary colleagues by not voting.

The amendment was lost by 425 votes to 594, but it demonstrated that the leadership of the SNP still has some way to go in persuading the party to *follow* it on the march through the institutions to independence.

Union denounces £257m. steel plate mill plan

BY IAN HARGREAVES, LABOUR STAFF

THE BIGGEST UNION in the British Steel Corporation has declared its opposition to a key item in the Corporation's development strategy, a £257m. plate mill project at Redcar, Teesside.

The Corporation's proposals for the 2m. tonnes-a-year mill, *easily the largest in Britain*, have been outlined to the Industry Department in a confidential document.

In a letter to Mr. Eric Varley, the Industry Secretary, Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, has described the proposal as economically unsound.

Although Mr. Sirs does not enlarge on his case for the economic weakness of the scheme, he speaks of the social consequences for nearby Hartlepool and Consett, which stand eventually to lose their plate mills, with a combined capacity of 750,000 tonnes per year.

Over 2,000 jobs are involved there. Mr. Sirs says: "The probability of the replacement of such employment is almost an impossibility. We therefore strongly urge the Government, in giving consideration to all of the plans, to consider the feasibility of plans presented to you which would ensure the continuance of Consett and Hartlepool plate mills as plate-producing areas.

"We see no reason why South Teesside with its expanded steel-producing facilities should not be providing the slabs for Hartlepool works and supplementing the slabs produced at Consett for those works.

"We further feel that the total cost to the Government arising out of the proposals of the Corporation would be greatly in excess of the actual costs of the project and would create further bitterness and difficulty within the British Steel Corporation between the work force and the top management at Grosvenor Place."

The Redcar plate mill is part of a £1.5bn. development in the area. It will include building Britain's biggest blast furnace, with a capacity of 10,000 tonnes per day.

The total loss of job opportunities in Hartlepool and Consett, areas already severely affected by unemployment, will run to about 3,000.

BSC wins £50m. contract in Iran

By Rhys David

THE BRITISH Steel Corporation has won a major contract to help build a steelworks in Iran—the latest of five big overseas deals valued altogether at around £50m. lined up by the corporation in the past month.

The contract which has been placed with *BSC (Overseas Services)*, a wholly-owned subsidiary of the corporation, has been awarded by National Iranian Steel Industries, which is proposing to build a integrated steelworks at Isfahan at an estimated cost of £550m.

The BSC *will* provide engineering, project management, technical assistance, and training services during the construction period and initial operations of the works.

THE LEX COLUMN

The cycle and the trend

If you don't have a crystal ball the next best thing is a history book. The performance of the stock market in 1976 so far has shown uncanny similarities to the events of early 1972. In both years the gilt-edged market peaked out in the last week of January. In both 1972 and 1976 (to date) the F.T. Industrial Ordinary Index reached peaks in May (although the 1972 high for the F.T.-Actuaries All-Share Index was not reached until August).

Sterling slide

And both years have included a troubled second quarter for interest rates and *sterling*. In 1972 short-term interest rates began going up sharply in May, and the third week of June produced a currency crisis which led to the floating of sterling. The pound depreciated by a tenth against the dollar between *the spring and the autumn*. This year sterling's troubles began rather earlier, with a fall of over 13 per cent. on a trade-weighted basis since March. But money market interest rates did not begin to firm until April, with three-month interbank rate up some three points since then to about 11½ per cent. Between April and July, 1972, three-month interbank rate rose from 4½ to 8½ per cent.

The similarities of early 1972 *and early 1976 arise*, of course, because both periods embrace very similar stages of the four-year economic cycle. Industrial production now appears to be just picking up, as it did in the second quarter of 1972, unfilled job vacancies began to rise at the beginning of each year and the CBI investment intentions inquiry has just turned positive, as it did at the beginning of 1972.

But although the cyclical timing may be similar many of the background variables are different. Most are less favourable. Compared with four years ago, for instance, the inflation rate is much higher—at nearly 20 per cent. year-on-year against about 8 per cent., unemployment *is a quarter higher*, and the balance of trade is worse. The U.K. was running a current surplus in the first half of 1972 at an annual rate of near £0.5bn., though this had become an annual rate of deficit of well over £1bn. by the second half of 1973. In 1976 we still have a small deficit.

The money supply, superficially, is less worrying The broader measure M3 began taking off in the final quarter of 1971 and reached an annualised growth rate of 25 per cent. in the first quarter of 1972. The corresponding rate for January-March, 1976, was only about half that. On the other hand, the M1 comparisons are less reassuring. So is domestic credit expansion, which was still £4.87bn. for 1975 against £1.14bn. for 1971.

Corporate finances are now under more pressure. In 1972 industrial and commercial companies ran a financial surplus of £0.49m. following a surplus of £0.36bn. the year before. In 1975, however, companies were still showing a deficit of £0.34bn., and various forecasts of a move into substantial surplus this year (as by the National Institute last week) have yet to be borne out. Meanwhile, company profits are *in the doldrums*. In both 1971 and 1972 gross trading profits net of stock appreciation were just under 11 per cent of GDP; the corresponding figure for 1975 was only a little over 6 per cent.

Against such a background—a fall in real U.K. profits of perhaps two-fifths—it is not surprising that share prices are much lower. Dividend control also has a part to play here: taking the All-Share Index yield as a guide, dividends have risen by only 37 per cent. in the last four years against inflation over the period of more than 80 per cent.

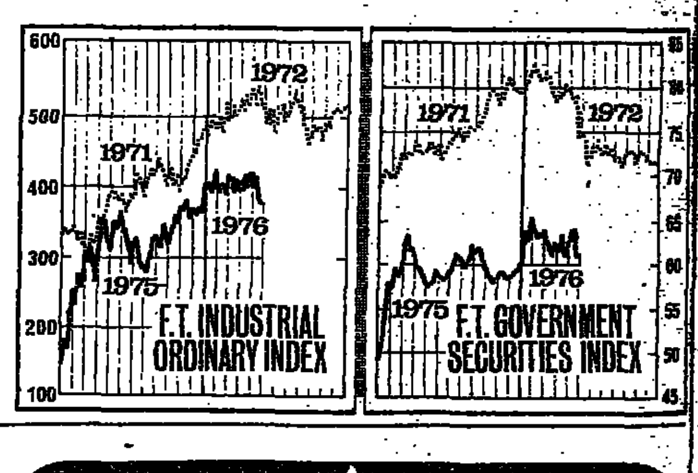
The May 1972 peak of the 30-Share Index was 543.6. Translated to current price levels using the retail price index that would work out at just about 1,000. So the real fall since then is something like three-fifths. And the May 1972 high was itself a fifth lower in real terms than the bull market peak *of September 1968*.

As for gilts, the decline from the cyclical peak of 1972 on the FT Government Securities Index to last January's high was 21 per cent., a figure very close to that for equities. Nominal yields have been much higher, with a return on longs of around 7 per cent. in January 1972 climbing to about 12½ per cent. four years later. But the real return deteriorated substantially in the intervening years.

On all this evidence it would be easy to get very bearish. After all, both cyclical factors and the long-term trend now appear to be unfavourable. Within the cycle, warning signals like rising commodity prices and the trend of bank lending to the private sector are flashing amber if not red. There can now be little hope that the upturn in interest rates since April is only a temporary aberration. On a longer view there is little evidence that the unfavourable trends in inflation, profits and real interest rates, which all began to go badly wrong about 1971, have really been reversed, apart from cyclical fluctuations.

Equity prices

Some short-term reassurance, however, may come from the fact that previous equity bull markets have died only slowly. In 1972, for instance, there were strong rallies in August and December. As for the underlying trends, there is something in the argument that the climate has got so bad that drastic policy changes will be almost unavoidable. With security prices already historically low in real terms, the scope for recovery might be considerable. In real terms equity prices are 70 per cent. lower than in September, 1968. But if the economic decisions are judged *the outlook will indeed be* bleak.



NEDC to meet to-morrow

BY ADRIAN HAMILTON

THE NATIONAL Economic Development Council, representing the Government, unions and industry, is to meet to-morrow in its last formal discussions before the major industrial strategy *discussions on July 7 for which* the Prime Minister will be chairman.

In addition to hearing a report on the progress made in preparing the 39 sectoral studies for the July meeting, to-morrow's discussions will also take in a *number of papers held over from* previous occasions including a paper on nationalised industry exports prepared by the Department of Trade.

The meeting occurs as the 39 different sectoral groups and committees are now completing their final reports on individual prospects and problems in their various industries.

These will then be collated by the NEDO office for a general paper to be presented to the July *meeting*.

At this stage, there seems no plan to produce any grand policy statement out of the July meeting and the work of the sectoral groups has been concentrated largely on the potential bottle-neck problems which may arise in the economic upturn.

But a number of general worries have appeared, such as the potential shortage of steel and the difficulties of getting skilled labour in the engineering industry.

The different sectors can also be expected to make special pleas *for such action as counter-*cyclical stocking of goods which the Government will have to consider.

Although the general problem of shortages is not due to be discussed until the July meeting, some of the particular worries *may well be raised at to-morrow's* session, along with the more general concern about the exchange fluctuations and possible measures to stabilise the value of the pound.

The paper put in by the Department of Trade on *nationalised industry exports*, meanwhile, argues for Government backing for consortia in which the nationalised industries can take a share.

In particular, it urges the case for British Rail—which is already involved in a consortia *bid for a Venezuelan* contract—to take advantage of the growing foreign market for *rail investment*.

Such a move by British Rail would, the paper says, require new Government authority to promote such tenders.

Strength of Protestant vigilantes is doubted

BY GILES MERRITT

SUNDAY NIGHT'S introduction of Protestant vigilante patrols in rural areas of mid-Ulster was *not a failure according* to Mr. Ernest Baird, one of the two Unionist political leaders responsible for the initiative.

Speaking in Belfast last night Mr. Baird, who jointly with the Rev. Ian Paisley launched the vigilante Ulster Service Corps a week *ago as a "third force"* which they claimed was necessitated by the security forces' ineffective handling of the Provisional IRA, said that the low turn-out "was not an anti-climax."

Mr. Baird has now openly stated that the "Save Ulster" campaign announced by Mr. Paisley and himself is not simply a vigilante security operation, but has as its main objective a confrontation with the Government to force Westminster to open talks with the Protestant leadership on the ending of *direct rule* and the return of devolved government to Northern Ireland. "Westminster will have to negotiate with us—or else," he said at the week-end. "They will now see the folly of flying in the face of the ballot box."

But after the subdued start to the vigilante operations there is speculation in Ulster that the Ulster Service Corps, largely made up of former members of the disbanded "B" Specials and armed Protestant militia, numbers little more than 2,000 members, rather than the 12,000 widely reported. Other than a parade of 150 members in Portadown on Sunday, and unsubstantiated claims that a number of patrols were carried out overnight in the Armagh, Tyrone, Fermanagh and Derry areas, the vigilante movement has yet to become apparent. Far from confirming the setting-up of road blocks on the large scale expected, the Royal Ulster Constabulary has stated that so far it has seen no evidence of vigilante activity.

Mr. Baird is insisting that the level of vigilante patrols and checkpoints will begin to build up in the coming week, while the week-end's start to these operations was never intended as a "*spectacular event for the television cameras*." He added: "There will obviously be a low profile until we get things running smoothly, but I am very happy with the initial operation."

In the absence of Mr. Merlyn Rees, Northern Ireland Secretary, from Northern Ireland for the Bank Holiday, Stormont Castle officials reserved comment on the vigilante threat. It seems clear that while vigilante activities remain at their present low level, Mr. Rees will re*sist the urgings this week-end of* the Irish Government to clamp down on the new para-military force. Although Irish Ministers, and Mr. Jack Lynch, Leader of the Opposition, have warned against inaction and indecisiveness, Mr. Rees is known to feel that any over-reaction would give the vigilantes the impetus they lack.

To date Northern Ireland's most powerful Protestant private army, the 10,000-strong Ulster Defence Association, has not given its support to the Ulster Service Corps, despite earlier assurances that it would. The UDA, along with many rank-and-file politicians in the United Ulster Unionist Coalition, is still waiting to see how effective the movement is and how much support it attracts before openly endorsing it.

Weather

U.K. TO-DAY

SHOWERS with sunny intervals. Dry in S.E.

London, S. England, E. Anglia, E. Midlands, Channel Is.
Mainly dry and cloudy, brighter later. Wind S.W. Max. 18C (64F).

W. Midlands, S.W. England, Wales
Cloudy with drizzle, sunny intervals. Wind W. Max. 17C (63F).

E. and N. England, Lakes, Borders Edinburgh, Dundee
Rain at first, brighter later. Wind S.W. Max. 17C (63F).

Isle of Man, Aberdeen, Moray Firth, S.W., N.W. Scotland, Highlands, Argyll, N. Ireland
Heavy showers, some sun. Wind S. Max. 15C (59F).

N.E. Scotland, Orkney, Shetland
Cloudy, rain at times. Wind S.E. Max. 10C (50F).

Outlook: Changeable.

Lighting-up: London 21.38, *Manchester* 21.57, Glasgow 22.20, Belfast 22.19.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amsterdm.	C	13	55	Luxemb'g	F	16	61
Athens	S	24	75	Madrid	S	27	81
Barcelona	S	23	73	Manchstr	C	15	59
Belfast	C	14	57	Melbourne	C	13	55
Belgrade	C	18	64	Montreal	C	10	50
Berlin	R	15	59	Moscow	C	11	52
Birmnghm	C	16	61	Munich	T	12	54
Bristol	R	14	57	Newcastle	S	13	55
Brussels	F	18	64	New York	C	25	77
B. Aires	S	16	60	Oslo	C	15	59
Cairo	S	34	93	Paris	C	18	64
Cardiff	R	13	55	Perth	R	14	57
Cologne	C	16	61	Rio de J'o	S	27	80
Copnhagn.	C	13	55	Rome	F	22	72
Dublin	C	14	57	Singapore	S	31	88
Edinb'rgh	C	16	61	Stockholm	R	21	70
Geneva	F	22	72	Sydney	S	18	64
Glasgow	C	15	59	Tehran	S	30	86
Hong Kong	S	30	86	Tokyo	S	26	79
Jo'burg	S	18	64	Toronto	C	15	59
Lisbon	S	28	82	Vienna	C	16	61
London	C	18	64				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Biarritz	S	23	73	Jersey	R	13	55
Blackpool	C	13	55	Las Plms	S	22	72
Bordeaux	F	22	72	Majorca	S	25	77
Cape Town	R	16	61	Malaga	S	22	72
Florence	F	23	74	Malta	S	24	75
Gibraltar	F	21	70	Nairobi	S	21	70
Guernsey	Fg	12	54	Naples	S	23	73
Innsbruck	C	17	63	Nice	S	22	72
Inverness	F	14	57	Venice	S	23	73

C—Cloudy. S—Sunny. R—Rain. F—Fair. T—Thunderstorm. Fg—Fog.

Left and Right criticise Lady Falkender

BY RICHARD EVANS, LOBBY EDITOR

BOTH LABOUR and Conservative MPs reacted with hostility yesterday to Lady Falkender's protests at the reception given to Sir Harold Wilson's controversial resignation Honours List.

Lady Falkender, for many years Sir Harold's political secretary, denounced adverse comment as "sanctimonious protest by the unimaginative half of the Establishment on their own behalf." She added, in a letter in The Times yesterday, that the list had been Sir Harold's alone and she had had no influence over the *names* that *appeared*.

"The Press have continually claimed I had it. But that does not mean I did. Nor is it true . . ." she added. In her opinion comment on the list itself had been "sickening."

It had been "unadulterated snobbery" *and, much more* serious, "covert anti-Semitism."

Many Labour MPs, over 100 of whom have signed a Commons motion seeking to dissociate the Parliamentary Labour Party from the list, clearly disagreed with the views of Lady Falkender, formerly Mrs. Marcia Williams.

Mr. Bob Cryer, Left-wing MP for Keighley, argued that anyone from the former Prime Minister's "kitchen Cabinet" who defended patronage was in a very difficult position because they were there themselves by virtue of that self-same patronage.

He added "One of the facts about the honours system is that it is anti-Socialist. It depends purely on patronage and is opposed to the best interests of Socialism.

"It cannot be defended, particularly on the grounds that she *claims, that on other occasions* Conservatives have been ennobled and knighted. I don't think the Labour Party chooses leaders to lavish patronage on Conservatives and erstwhile Socialists."

Miss Jo Richardson, Labour *MP for Barking, said:* "I think it is degrading to the standards of Parliament that we are putting into the Upper House, which is supposed to be part of the deliberations of our Parliamentary process, people who in my opinion have no right to be there.

"One would have expected a Labour ex-Prime Minister to be *at least* sympathetic to Labour's programme. But the principal people who have been put into the House of Lords have nothing in common with ordinary people or with the aspirations of a Labour Government."

Mr. Michael Brotherton, Conservative MP for Louth, said he found Lady Falkender's letter totally unconvincing. "Such wild, inarticulate lashing out at unspecified targets can hardly be described as justification for a most remarkable list produced by Sir Harold Wilson.

"She might also try to explain why the most violent reaction of *all to this list has come from* within the Parliamentary Labour Party, including a Commons motion signed by more than 100 Labour MPs."

Mr. Robert Adley, Tory MP for Christchurch and Lymington, commented: "The traditional weapon of those who are under attack from their friends is to try to divert attention by turning on third parties."

Wilson to be TV figure

BY RHYS DAVID

FRESH from charges tata his Honours List smacked too much of the entertainment world, Sir Harold Wilson is himself set to plunge into a new career as a television personality in the Lord Clark "Civilisation" mould.

Sir Harold will appear with David Frost on Yorkshire Television to introduce and narrate a 13-part historical series, "A Prime Minister on Prime Ministers," which will examine the lives of Premiers from Walpole to Macmillan and the present day. The series, likely to cost Yorkshire Television about £500,000, will be shown in the autumn of next year. Sir Harold will also take part in three one-*hour special programmes from* Yorkshire Television in which David Frost will interview him.

Research on the programmes starts at once, and filming begins early next year. The programmes will be co-productions between Yorkshire Television and David *Paradine Histories, produced by* Michael Deakin of Yorkshire, with Antony Jay as editor and David Frost as executive producer.

Sir Harold, commenting on his new role, described the series as *challenging*. "The *unfolding* story of the growth of our Parliamentary democracy—and its varied cast of principal characters—is a riveting one, and it is my fervent hope that the series will generate additional interest in, and gratitude for, the pre*cious freedoms we in this* country possess.

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